The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

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SATURDAY, FEBRUARY 27, 1932 VOLUME 59, NUMBER 13

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What the Ships Carry between America and China

Return of the Shanghai Customs

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PRESIDENT COOLIDGE, Dec. 10.

(Agents: Robert Dollar Co.)

To U. S. of America.

Silk, Raw, Steam Filature:		
Yellow, hungking	*Bls.*30	*Pls.*29 74
Silk, Raw, Reeled from Doupions:		
Shanghai	*Bls* 50	*Pls.* 49.41
Silk Pongees, Honan	,,	79 32
Tea, Black:		
Congou, Wenchow	,,	86
Other kinds, Hankow	,,	155
Tea, Green:		
Gunpowder, Ningpo	,,	1,066
Hyson, Hangchow	,,	57
YoungHyson, Hangchow	,,	62
Book, Printed	,,	9
Brassware	,,	26
Feathers, Duck	,,	98
,, Gose	,,	40
Hair, Human	,,	72
Hats, Hemp	*Pcs.*	9,000
,, Rush	,,	180,800
Skins, Lamb	,,	1,000
,, Mole, Untanned	,,	620

KASAGI MARU, December 10.

(Agents: Nippon Yusen Kaisha)

From U. S. of America.

Cotton, Raw:	*Bls* 400	*Pls.* 1,400
Coffee	,,	26
Shrimps, Dried	,,	170
Tobacco, Leaf	,,	1,0 5

PRESIDENT WILSON, Dec. 11.

(Agents: Robert Dollar Co.)

From U. S. of America.

Cotton, Raw		
American	*Bls.* 1,876	*Pls* 5.548
Iron and Steel, Ungalvanized:		
Tinned Plates, Plain	*Pls.*	798
,, ,, Scraps	,,	375
Steel, Structural	,,	51
Canned sparagus	,,	50
Bronze Powder	,,	15
Butter	,,	3
Canned Fruits	,,	35
Fruits, Dried	,,	66
,, Fresh	,,	58
Grease, Lubricating, Mineral	,,	101
Lead, Red	*Pls.*	60
,, Yellow	,,	60
Milk, Condensed	,,	540
Oil, Coconut	,,	30
Onions, Fresh	,,	56
Oranges, Fresh	,,	183
Paper, Printing (Woodfree)	,,	3,791
Raisins, Dried	,,	23
Shrimps Dried	,,	409
Soda Ash	,,	840
Sulphur Black	,,	558
Motor-cars	*Pcs*	5
Rubber Tires, Pneumatic:		
ForMotorCars&Trucks	,,	730
Rubber Inner Tubes:		
ForMotorCars&Trucks	,,	96
Automobiles, Parts of	*G.Units*	2,364
Machinery, & Parts of	,,	1,1526
Dyes, Aniline *Pkgs.* 6	,,	1,127

ASAMA MARU, December 11.

(Agents: Nippon Yusen Kaisha.)

To U. S. of America.

Bristles, Assorted	*Pls.*	5

SHEAF CROWN, Dec. 11.

(Agents: Dodwell & Co.)

From U. S. of America.

Oil, Kerosene, in Case	*Gals.*	809,180
,, Lubricating, Mineral	,,	517

TYNE MARU, December 12.

(Agents: Showa Shipping Co)

From U. S. of America.

Cotton, Raw	*Bls* 100	*Pls.* 367
India-rubber, Old	,,	444
Enamels	*Gals.*	362
Lacquer	,,	347
Paints	,,	756

CHUSAN, December 14.

(Agents: Butterfield & Swire)

From U. S. of America.

Rubber Tires, Pneumatic:		
ForMotorCars&TrucksPcs.		8

CHINESE PRINCE, Dec. 14.

(Agents: Butterfield & Swire.)

From U. S. of America.

Iron, Scrap	*Pls.*	1,023
Borax	,,	504
Dextrine	,,	34
Flour, Corn	,,	504
Glucose	,,	247
Ink, Printing	,,	71
Sulphur Black	,,	211
Tobacco, Leaf	,,	34 928
Wax, Vegetable	,,	13
Machines, Sewing	*Pcs.*	300
Motor-trucks,	,,	6
Shoes	*Pairs*	368
Oil, Lubricating, Mineral	*Galls.*	10,871
Motor Cars, and Trucks,		
Parts of	*G Units*	5,254
Machinery	,,	17,549

PRESIDENT MADISON, Dec. 15.

(Agents: Robert Dollar Co.)

To U. S. of America.

Silk, Raw, Steam Filature:		
White, Shanghai	*Bls.*80	*Pls* 78.96
Yellow, ,,	,, 40	,, 38 89
,, Dairen	,, 39	,, 39 02
Silk, Raw, Reeled from Doupions:		
Shanghai	*Bls.* 75	*Pls.* 73 55
Silk, Waste:		
Shanghai	*Bls.* 24 ,,	17.63
Silk Embroidery	,,	0 34
,, Pongees, Shanturg	,,	0.58
Tea, Black, Congou, Hankow	*Pls*	37
Tea, Green:		
Gunpowder, Ningpo	,,	1,711
Hyson, Hangchow	,,	132
Young Hyson, Kiukiang	,,	99
Other kinds, Kiukiang	,,	9
Brassware	,,	30
Skins, Lamb, Untanned	*Pcs*	11,450

RHEXENOR, December 16.

(Agents: Butterfield & Swire)

From U. S. of America

Cotton, Raw	*Bls* 85,00	*Pls* 29469

KWANSAI MARU, December 18.

(Agents: Osaka Shosen Kaisha)

To U. S. of America.

Silk, Raw, Steam Filature:		
White, Shanghai	*Bls.*25	*Pls.*25 04
Bristles Assorted	,,	43
Hides, Buffalo	,,	618
Hats, Hemp	*Pcs.*	750

BURGERDYK, December 18.

(Agents: Java-China-Japan Lijn.)

From U. S. of America.

Cotton, Raw:		
American	*Bls* 21,000	*Pls* 76,983

EMPRESS OF RUSSIA, Dec, 21.

(Agents: CanadianPacific S.S.Co.Ltd.)

To U. S. of America.

Tea, Green:		
Gunpowder, Ningpo	*Pls.*	209
Silk, Raw, Steam Filature:		
White, Shanghai	*Bls.*20 ,,	18.67
Yellow Chungking, etc	*Bls.*25 ,,	24 47
Feathers, Goose	,,	52
Hair, Human	,,	212
Skins, Lamb, Untanned	*Pcs.*	7,122
Hats, Puntal Fibre	,,	468

MARGARET DOLLAR, Dec. 21.

(Agents: Robert Dollar Co)

From U. S. of America.

Wood Pulp, Chemical	*P's.*	2,810

TAI ING, December 21.

(Agents: Dodwell & Co.)

To U. S. of America.

Silk Pongees, Shantung	*Pls.*	3,60
,, ,, Manchurian	,,	2 55
Tea, Green:		
Gunpower, Ningpo	*Pls.*	516
YoungHyson Hangchow	,,	176
Hyson, Hangchow	,,	92
Tea, Leaf, Unfired:		
Wuhu, etc.	,,	1,852
Brassware	,,	8
Bristles, Assorted	,,	6
Skins, Goat, Untanned	,,	46
,, Sheep, ,,	*Pcs.*	3,400

WISCONSIN December, 21.

(Agents: States S. S. Co)

From U. S. of America.

Paper, Bond	*Pls.*	935
,, Printing	,,	4,119
,, Wrapping	,,	779
Timber:		
Softwood, Ordinary, Sawn	*Sup ft*	2,607,418
Laths	*Mille*	200

BUYO MARU, December 21.

(Agents RiokaSokoKabushikiKaisha)

From U. S. of America

Cotton, Raw:		
American	*Bls.* 1,800	*Pls.* 6,734
Tobacco, Leaf	,,	7,145

TAIYANG, December 21.

(Agents: Dodwell & Co)

From U. S. of America.

Cotton, Raw:		
American	*Bls* 306	*Pls.* 743
Tobacco, Leaf	,,	27 473
Machines, Sewing	*Pcs.*	26

VICTORIA CITY, Dec. 21.

(Agents: States S. S. Co.)

From U. S. of America

Cotton, Raw:		
American	*Bls.*88,99	*Pls.*27,132

PRESIDENT HAYES, Dec 21.

(Agents: Robert Dollar Co)

From U. S. of America.

Cotton, Raw	*Bls.*402	*Pls.* 754
Embroidery Cotton,	,,	5
Copper Wire	,,	8
Iron and Steel, Ungalvanized:		
Pipe Fittings	,,	12
Tinned Plates, Plain	,,	23
Tin Plates, Stripes	,,	330
Washers	,,	17
Iron and Steel, Galvanized:		
Wire Sheets	*Tls.*	100
Zinc Sheets	,,	54
Canned Awabi	,,	38
Cheese	,,	5
Glue, others	,,	12
Ink, Printing	,,	336
Leather, Calf	,,	10
,, Sole	,,	17
Milk, Evaporated	,,	117
Newspapers, Old	,,	5,271
Oranges, Fresh	,,	119
Paper, Document	,,	33
,, Manila Board	,,	1,161
Pitch	,,	622
Raisins	,,	64
Ultramarine	,,	17
Wax, Paraffin	,,	840
Files	*Doz.*	1,329
Oil, Lubricating, Mineral	*Galls.*	528
Cigars	*Pcs.*	3,025
Clocks	,,	480
Rubber Tires, Pneumatic:		
ForMotorCarsand Truck	,	316
Rubber Inner Tuber:		
ForMotor-cars&Trucks	,,	248

PRESIDENT HOOVER, Dec. 22.

(Agents. Robert Dollar Co.)

From U. S. of America.

Cotton Muslins	*Pcs.*	466
,, Sheetings, Bleached	*Yds*	5,075
,, Raw	*Bls* 1325	*Pls.* 3,243
Copper Sheets	,	27
Tinned Plates, Plain	,,	5,483
Acid, Salicylic	,,	25
Borax	,,	84
Canned Asparagus	,,	34
,, Fruits,	,,	125
Fruits, Dried	,,	86
Ink, Printing	,,	20
Milk, Condensed	,,	29
Onions, Fresh	,,	154
Oranges, Fresh	,,	69
Paper, Cigarette, on Bobbins	,,	274
,, Common Printing	,,	45
Raisins Dried	,,	208
Shrimps, Dried	,,	647
Soda Ash	,,	840
Sugar, Milk	,,	252
Oil, Lubricating, Mineral	*Galls.*	5,749
,, Linseed	,,	179
,, White	,,	5,712
Paints	,,	1,080
Canned Sardines	*Doz.*	2,180
Lemons, Fresh	*Pcs.*	34,950
Motor-cars	,,	7
Rubber Tires, Pneumatic:		
ForMotorCars&Trucks	,,	564
Rubber Inner Tubes:		
ForMotorCars&Trucks	,,	119
Machinery, & Parts of	*G Units*	8,199
Motor Cars and Trucks,		
Parts of	,,	1,437
Treasure:		
Silver Bars	*Hk Tls*	126,250

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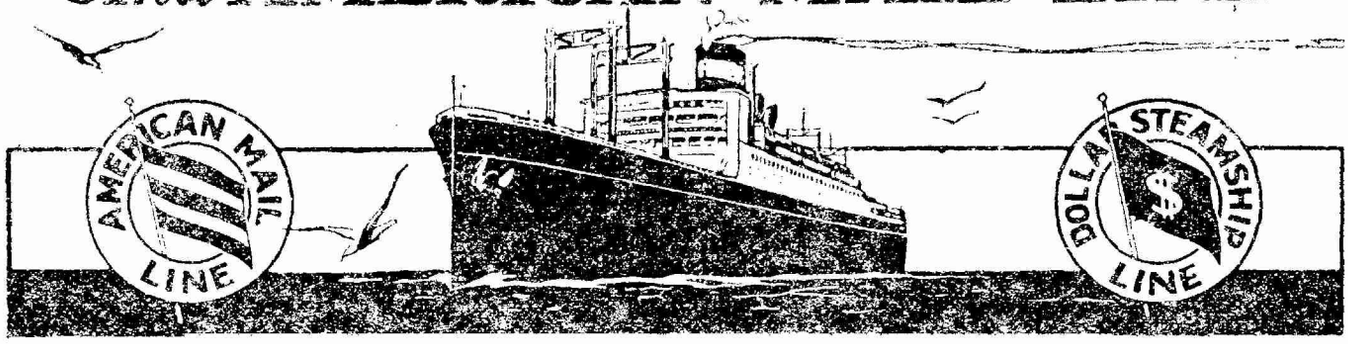

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59-524

密勒氏評論報

The China Weekly REVIEW

Formerly Millard's Review

中華郵政特准掛號立券之報紙

Registered at the Chinese Post Office as a Newspaper for transmission with special marks privileges in China.

Volume 59 | Shanghai, China, Saturday, February 27, 1932 | Number 13

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

PUBLISHED AT NO. 38 AVENUE EDWARD VII, SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

J. B. POWELL, Editor and Publisher; GEO. W. MISSEMER Asst. Editor; HOH CHIH-HSIANG, Asst. Editor; TRYPHON KU, Advertising Dept.; F. K. CHAO, Business Dept.

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YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE, POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES TEN DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 38 AVENUE EDWARD VII, SHANGHAI, CHINA. TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

CONTENTS OF PREVIOUS ISSUES OF THE CHINA WEEKLY REVIEW MAY BE FOUND IN THE "INTERNATIONAL INDEX TO PERIODICALS" COPIES OF WHICH ARE ON FILE IN MOST STANDARD LIBRARIES.

WASHINGTON OFFICE
J. J. Underwood—Correspondent
Colorado Building, Washington, D. C.

JAPAN'S "PAINFUL" POSITION AT SHANGHAI

"WE are in a painful position at Shanghai." These words were spoken at Geneva, February 19, not by the Chinese delegate, but by the Japanese delegate, Mr. Sato, who added, "If we retire it would mean that Japan abdicates a situation won by much effort and energy. If the Council advises complete retirement it will be impossible for me to transmit this request to my Government." That Japan's position at Shanghai is "painful" ever since the momentous night of January 28 when the Japanese Admiral sent his Marines into Chapei, has been apparent to everybody. That Japan's delegate to the League of Nations should admit it clinches the fact.

The Council of the League assembled at Geneva February 19 to consider the situation created by China's demand, made by the chief Chinese delegate, Dr. W. W. Yen, that the Far Eastern situation, particularly Shanghai, should be referred to the League Assembly as provided by paragraph 9 of Article XV of the Covenant. In many ways it was the most important meeting that the League Council has held since the Japanese first invaded Manchuria. The debate between the Chinese delegate, Dr. Yen, and the Japanese delegate, Mr. Sato, at times became rather vitriolic. References were made to allegations that the Japanese had used dumdum bullets and poison gas, which were denied by the Japanese. There was also a reference to the Japanese bombing the Chinese flood refugee camp. However, the crux of the debate was Japan's ultimatum to the 19th Route Army to withdraw 20 kilometers from Shanghai and the incidents that led up to that demand. Dr. Yen mentioned that Japan's reply to the League Council's appeal for moderation had been: Attacks, an ultimatum and continued aggression.

Mr. Sato in the course of his remarks mentioned that if Japan had to do with a civilized state her conduct might have been different. Dr. Yen's reply to this was that a great deal of the chaos and civil trouble in China is due to Japanese intrigue and that whereas the other Powers generally aimed at protecting China, Japan had been subsidizing one Chinese faction against the other and thus had always encouraged disorder and disunion. Dr. Yen incidentally made the telling point that although the Japanese were continually

harping on the point that China was not an organized state and had no government, yet at the same time Japan took the inconsistent attitude of insisting on negotiating with this "disorganized" state instead of submitting the questions in dispute to the good offices of the Council.

In the course of his remarks Mr. Sato tried to draw an analogy between the Soviet seizure of Outer Mongolia and the Japanese incursion into Shanghai. Dr. Yen replied that it was absurd to draw such an analogy as the Soviet action referred to occurred before the League was constituted. Mr. Sato plaintively added that it was incredible that Japan should stir up disorder, and reiterated that Japan only sought peace and order.

Dr. Yen made the observation in the course of his remarks that Japan's attempt to create disunion in the Chinese ranks by sending an ultimatum only to the 19th Route Army had the result of firmly uniting the Chinese nation. Generals who had previously fought against each other were now conferring in one room against the aggressor. Dr. Yen also referred to the absurdity of the Japanese asking for the protection of the League at a time when Japan was occupying 200,000 square miles of Chinese territory, and bombing Shanghai and Nanking.

The final result of the debate, which was participated in by the chairman, M. Boncour, and others, was that a resolution was passed stipulating that a meeting of the League Assembly should take place on March 3. It was mentioned in this connection that most of the delegates were already in Geneva to attend the conference on the limitation of armaments.

Present indications are that when the test comes Japan will withdraw from the League. In the meantime the reader should not lose sight of the sentence which begins this article, "We are in a painful position in Shanghai," and that this was stated by the Japanese delegate, Mr. Sato. Incidentally it is pertinent to point out that in 1914 Disarmament Conference delegates were on their way to assemble at a meeting which had been called for practically the same date as that on which the World War broke out. Is history again to repeat itself?

CHINA WILL RECEIVE MUCH ASSISTANCE FROM ABROAD

WHEN it comes to a matter of finances, both Japan and China are in a critical condition. Both countries are on the verge of bankruptcy. Huge amounts are owed by both countries to foreign investors, Japan owing by far more than China. Neither country, in the circumstances, can look for any help financially from foreign sources. Each must do its own financing. There is one phase of China's ability to finance herself that should not be overlooked, namely the support that has come from that great Chinese empire beyond the seas. As has been mentioned several times in these columns recently the Chinese Overseas remit in the course of a year huge sums to their homeland. Be it remembered that these overseas Chinese, in America, in the Straits, Java, the Philippines, and the southern seas generally are all well-to-do and they are blood brothers of the 19th Army which has so heroically withstood the onslaughts of the Japanese war machine. The duplicity of the Japanese in making an attack (an unsuccessful one) on the night of January 28 after having received the apology demanded and particularly the recent Japanese attempt to single out the 19th Army as the object of their ultimatum has had an effect on the Chinese Overseas somewhat similar to that which the sinking of the *Lusitania* had on America. The Chinese Overseas at the very beginning of the Shanghai troubles loosened their purse strings; recent events make it certain that they will contribute millions for the support of Chinese arms against Japanese aggression. The Japanese have created havoc in Chapei and nearby cities generally by means of their superiority in airplanes. Present indications are that if the Chinese are able to hold out for a month or two longer airplanes will be coming into China wholesale, paid for by Chinese Overseas, and then the world may look for some airplane fighting on a grand scale. Not only has the Japanese ruthlessness evoked in the Chinese mind a determination to seek revenge, but the spirit shown by the Chinese soldiers against great odds has awakened in the hearts of adventurous people in all parts of the world a desire to assist. These volunteers will doubtless ask for some sort of remuneration, but it will undoubtedly be only nominal. Recent telegrams from Canada spoke of several scores of Canadiana aviators offering their services to China. Just what became of the offer has not been made quite clear. But as time goes on it is more than probable that China will receive many such offers of assistance and in the end will be constrained to accept them. In the meantime Japan's war budget will assume proportions which will make the recent vote of Yen 34,000,000 look puny. The Chinese leaders all say, and the Japanese probably realize that it is a fact, that they are preparing for a long struggle of attrition against Japan, and in such a struggle, if the Chinese persist, they are bound to win.

A BOMB ON A JAPANESE FRONT DOORSTEP

SHORTLY before eight o'clock on the morning of February 18 a terrific explosion occurred in Szechuen Road, Shanghai, as a result of which the concrete-supported entrance to the Mitsui Bussan Kaisha building at No. 49 was shattered and a heavy hardward door was blown fifteen feet down the corridor. The force of the explosion shattered most of the windows in the Chinese Telegraph building opposite and also in the Mitsui building itself. The only casualty was an injury to the head of a Chinese employed in a nearby restaurant. That in a few words is what occurred. The object of this article is to try to fathom *how* or *why* it occurred. The police have so far not discovered the culprit. The principal British newspaper in giving an account of the incident, says "the explosion was caused, it is believed, by a bomb placed on the steps of the M.B.K. building by an unknown Chinese." It would be pertinent here to ask who it is that believes that. The same British paper also stated, "The outrage is believed to be due to Chinese terrorism against a Japanese firm and

is another manifestation of anti-Japanese feeling." It is again pertinent to ask who it is that believes that.

In order to evaluate the possibilities of an incident such as this explosion it is *apropos* to mention several things that have gone before. Let it be noted in passing that the directing head of the Mitsui Bussan Kaisha in Shanghai, Mr. Fukushima, is a member of the Shanghai Municipal Council. The Japanese Marines are in control of the Hongkew district of Shanghai, and despite all denials, all apparent signs to the contrary, it is they and not the Shanghai Municipal Police who "boss" that area. When the Japanese first descended on Shanghai on the fateful night of January 28, Japanese Marines also occupied parts of the area south of Soochow creek, particularly in the vicinity of the Japanese Cotton mills to the west. They retired upon the arrival of the American troops from Manila. Regardless of what the Japanese say there is every indication that the Japanese intend to hold against all comers the Hongkew district of Shanghai as a future Japanese concession, and if they can possibly manage it, provided their victory over the Chinese will eventually be decisive enough, to occupy in the same way that they now occupy Hongkew, also the Central district of Shanghai, with the hope of eventually securing dominance here also—in the accomplishing of which object they would, as far expedient and as far as possible, work through Chinese sources. Working through Chinese puppets is how the Japanese control Manchuria. That is how the *hope* to work also here in Shanghai as soon as they are in a position to do so. When the Japanese invasion of Manchuria was first worked out the Japanese hue and cry was that a Japanese army officer—one Nakamura—who was caught red-handed by the Chinese travelling *incognito* with false documents on a spying mission and with a quantity of heroin in his possession—had been executed by the Chinese. At the last moment the Chinese officials of Manchuria did what the Japanese had all along demanded, namely apologized and promised to make amends. By doing so the Japanese war machine suddenly had to have a pretext to continue on its career. So that cock-and-bull story about the Chinese tearing up a few rails from the South Manchuria railway was brought out as the justification for an expedition which has since resulted in the seizure of the greater part of Manchuria. With a background like that we are not so ready to believe that the bomb which blew in the Mitsui door was placed there by a Chinese. Just bear in mind that the Mitsui Bussan Kaisha is the principal beneficiary of the present Japanese war machine operations, the expenses of which are paid for by the Japanese taxpayers. As time goes on it will probably happen that there will be more outrages against Japanese premises in the International Settlement. On the basis of that there will be another Japanese hue and cry for "positive" action, which in this case would mean that the International Settlement is to be invaded by Japanese forces, not by Marines this time, but by land troops. A very pertinent point in this connection is this: Have the Japanese firms in the Central district asked for individual police protection for their premises? If they were particularly anxious to protect their premises they would naturally do so. Our information is that they have not. Even in normal times it is not an unusual thing for a private firm to ask for special police protection. There are not many Japanese firms in the French Concession, but there are several small shopkeepers. The premises of one such small shop which the writer is acquainted with are all barred up and entrance from the front is impossible. But a discreet knock on the rear door will gain admittance, and when the visitor arrives inside he finds a French police Annamite on duty, steel helmeted, armed to the teeth and ready to detect any Japanese *agent provocateur*, or Japanese "Red" or Chinese *pienyitui* who attempts to place any bombs on that front doorstep. If the Japanese firms in the Central district wish to impress at least this writer that they are sincere in trying to keep bombs from their front door steps they will at least request individual police protection for their premises in the same way that the French give it to the little Japanese shopkeepers in their Concession. The difference may be that the Japanese have no designs on the French Concession.

G.W.M.

Chinese Put Up Stern Resistance Against Japanese Advance

WHATEVER may be the eventual result of the present military operations around Shanghai it will always be credited to the glory of the Chinese military morale that the Nineteenth Route Army did not quail under the humiliating, not to say insulting, ultimatum which the Japanese General Uyeda delivered on the morning of February 18 ordering a withdrawal to points within 20 kilometers from Shanghai within 48 hours, the first sign of which was to be withdrawal from the front line trenches within 36 hours. The Japanese Army is equipped with all the latest devices for killing; the Chinese Army is not. The Japanese Army has brought over well on to a hundred airplanes, a large proportion of which are bombing planes, and, according to latest advices they were dropping high explosive shells weighing about 300 pounds. The Japanese Army has tanks, mountain guns, and much artillery, and back of it, it has the assistance of something like a score of units of the Japanese Navy. The Chinese are only superior to the Japanese in two respects, namely, numbers and the willingness to sacrifice their lives. The Japanese are gaining ground, but very, very slowly. They admit that they are considerably behind the schedule which they had set, this being due to the stiff resistance which the Chinese have put up, and also to the fact that the Japanese do not care to throw themselves into the conflict with the same abandon for their lives that the Chinese have shown. The

Here is pictured one of the outposts, established by the forces under Admiral Nomura's command, on one of the streets leading into Chinese-occupied Chapei.

Chinese are fighting as best they can with the weapons at their command. They retire, it is true, but very slowly, and as they retire they try to do as much damage to the Japanese as they can and they have been doing it successfully. The Japanese have admitted hundreds of casualties and they have explained that the reason why they have not made more rapid progress is that they do not wish to sacrifice lives unnecessarily.

A visit to the Chinese and Japanese lines gives an opportunity to witness the "morale" or spirit of the two contending parties. Without in anyway disparaging the bravery of the individual Japanese soldier there can be no doubt in any one's mind that the spirit that actuates the Chinese is a higher one than that which actuates the Japanese. Look at the faces of the Chinese officers as they explain the necessity of putting up a stiff fight to turn the ruthless invader from Chinese soil! Their faces are lit up with the same spirit that buoyed up the martyrs in the days of Imperial Rome. Now look at the faces of the Japanese officers. Yes, there is a smile, but a forced one. The Japanese are doing their duty to their Emperor, it is true, but one gathers from the countenances of many that they are doing it with their tongues in their cheeks. The Japanese impress one as trying to portray an enthusiasm which they do not feel. There is much singing and "banzai-ing," but it strikes one as being of the kind where one whistles to keep up courage. The *Shanghai Times*, which has always given the Japanese a "good press," in its issue of Feb. 20 says:

> At Woosung where the Japanese mixed brigade has seen some of the stiffest fighting of the campaign, there was a scene of revelry early last night. The men had been warned that that an engagement was at hand. They were not perturbed at the prospects of facing machine guns. On the contrary they immediately set about arranging a "farewell" party. They grouped about their little, hidden fires and drank a toast to "The Emperor" and another to each other. They cheered a little and laughed a great deal and were very boisterous. Occasionally an officer walked amongst them, and silence fell, but he would pass on, smiling tolerantly, and the laughter would break out afresh.
>
> Into one of the larger groups a figure pressed. He plucked a non-commissioned officer by the arm and spoke to him quietly. The men fell silent, seeming to sense the order before it came. And then, as the voice of the officer rapped out a command, they scattered, buckling on equipment, seizing their rifles, shaking hands with one another. They were not laughing any more. This was a time for action.
>
> Where they went, those trudging battalions, those little companies, no one knew. They marched away and into the night and the echo of their heavy boots resounded along the Military Road. There was a little Japanese soldier scribbling on a pad in one of the billets. A friendly foreigner offered him a cigarette. He refused politely, shaking his head. "I write to home. To-morrow I fight." He grinned.

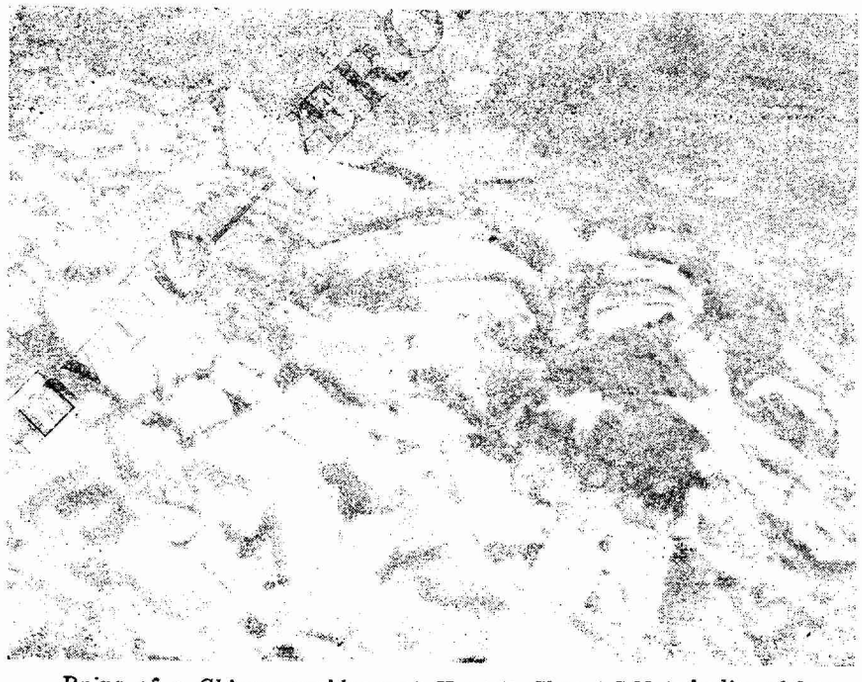
Reports from all parts of China indicate that

With such things as steel plates, sandbags, tin roofing, including the innocent-looking gadget on wheels, these sons of the Emperor of the Land of the Rising Sun ought to be able to do a little bit of work—whatever it's nature.

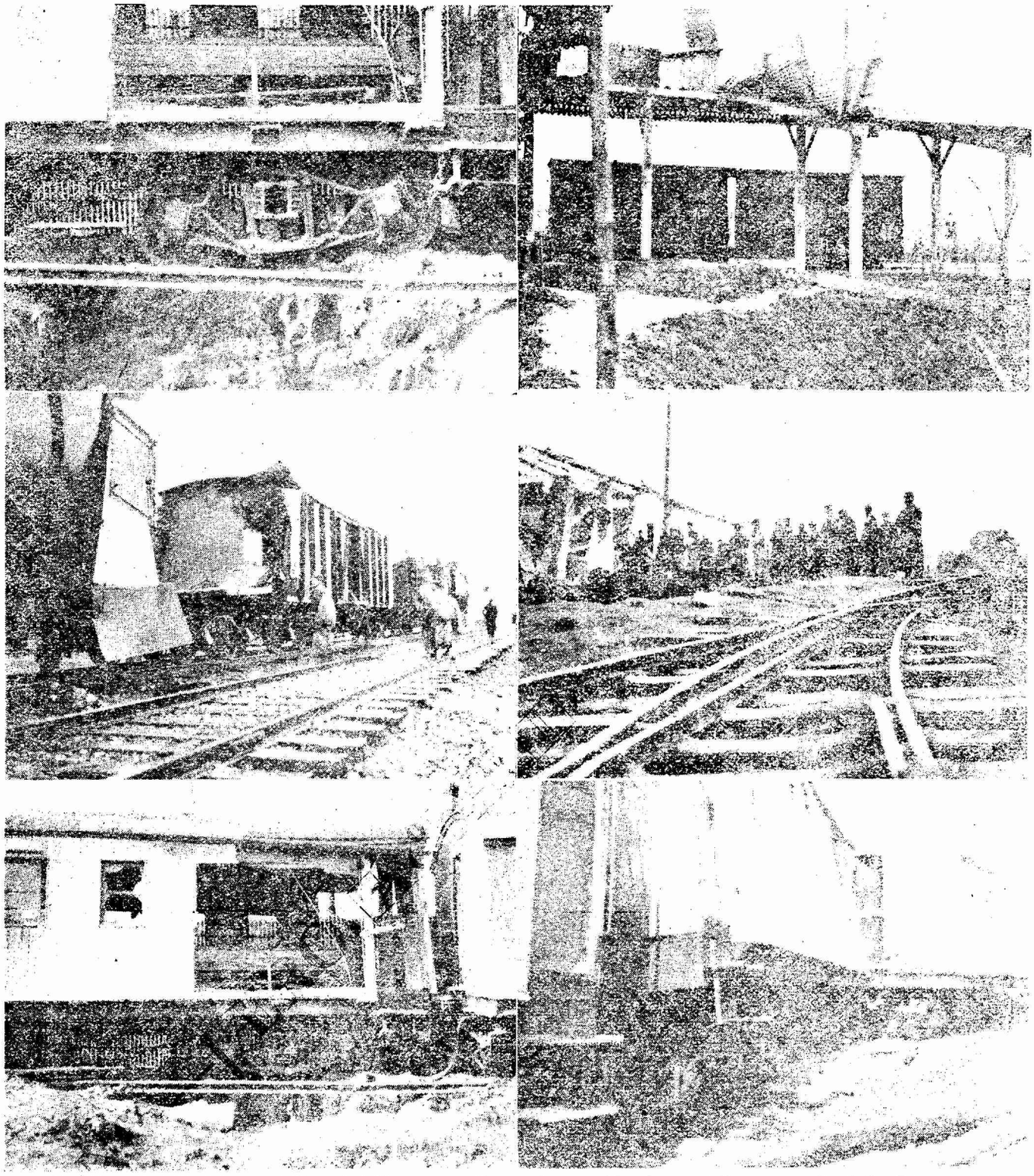
arrangements are being made to send reinforcements to the Shanghai area from all directions as they may be needed. General Chiang Kai-shek's National Guards have already arrived. General Cheng Ming-shu and General Chiang Kai-shek are both reported to have inspected the Shanghai area at the beginning of the week. The Christian General Feng Yu-hsiang is also spoken of as taking a prominent part in the military operations against Japan. A significant bit of news is that General Yen Hsi-shan, who about a year ago staged a formidable rebellion against the National Government, but in which he was defeated, has been again placed in complete control of Shansi and Suiyuan. This means that he can be counted on as one more military commander that the Japanese will have to reckon with.

TIEN-TUNG-AN STATION minus approximately 94.7% of its accoutrements. It is mildly surprising the way some of those things called "shells" behave. 'Tien-Tung-An' is a village situated between Shanghai and Woosung.

In the meantime the Chinese have shown a solidarity and unity that has not been in evidence in this distracted country for more than two decades. The Japanese had counted upon making capital of the rivalry between the Chinese generals, but in this they have been disappointed, and not only is the Nineteenth Route Army, which had been ordered to retire, putting up a fight which no foreign observer ever thought them capable of, but the other sections of the Chinese army are loyally supporting their brethren from the South and are rapidly sending reinforcements to the Shanghai area. It was generally expected among the Shanghai populace that upon the expiration of the ultimatum the Japanese would begin a terrific offensive with all the strength that their various units could command, by sea and on land and from the air. But the conjured up visions of scores of airplanes dropping bombs enmasse while at the same time the artillery and the war vessels bombarded, to be followed up with infantry with machine gun did not materialize at once. The Japanese, it is true, used all these methods, but over widely scattered areas, and, if one can use such a term, in a somewhat leisurely fashion. The country to be traversed, it is to be remembered is very difficult; the Chinese are spread over a wide area, and the effort required to worst one little nest with its machine guns requires the expenditure of many tons of metal. The ground is soft and is intersected in all directions with small creeks. The Chinese have destroyed all the bridges. The Japanese, in order to cross the creeks, have equipped their troops with huge balloon-like floats which are capable of carrying large numbers across creeks or ponds. They have also brought with them armored sampans in which to transports troops across the various small waterways. The Japanese have had a great advantage with their tanks. The Chinese have really not sufficient or heavy enough artillery to damage these formidable instruments of warfare. The Chinese have, however, laid many mines, and as a result of this, the Japanese have had to pick their way forward very gingerly. An example of the fact that the tanks would not have everything their own way was seen on Sunday, February 21, when a tank which had almost gained the North station, sud-



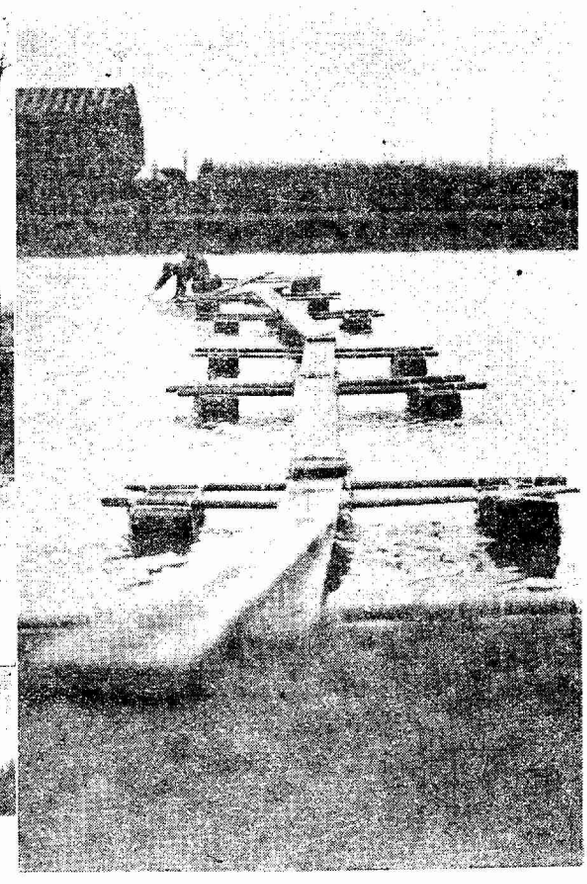
Ruins of a Chinese residence at Kunteli. Chapei. Note bodies of four persons, including a child, who were killed when a Japanese air-bomb exploded nearby.



The Shanghai-Nanking and Shanghai-Woosung railways have paid a heavy toll as a result of the Japanese air-bombing, artillery fire and arson activities at Shanghai. *Upper-Left*—Japanese air-bomb landed next to the tracks at Chenju and damaged this S. N. R. passenger car. *Upper-Right*—Railway sheds at Chenju damaged by Japanese air-bomb, which killed 16 soldiers and 8 horses. *Center-Left*—Steel covered freight cars damaged when Japanese air-bombed Chenju station. *Center Right*—Rails broken by Japanese air bombs in Markham Road station. *Lower-Left*—Another S. N. R. passenger car damaged in the Shanghai North Station. *Lower-Right*—More damaged passenger cars in the yards of the Shanghai-Nanking North station at Shanghai.

denly was thrown into a position where it could not proceed further through the explosion of a Chinese mine. The Japanese were eventually able to rescue this tank by bringing four other tanks on the scene.

In general the Japanese tactics are to carry out what is known as an enveloping movement, the eventual object of which is to surround the enemy on all sides and capture them. One of the first points of attack by the Japanese was the Kiangwan Racecourse and Kiangwan village, which are situated about half way to Woosung from Shanghai. This position the Chinese eventually had to give up as their position had become dangerous through the Japanese being able to attack from two sides.



Upper Left—Army engineers from the land of the Rising Sun putting the first span of the bridge across the Woosung Creek that gave them much trouble ever since they commenced operations in that area. These bridges are opened to traffic without any impressive ceremonies, but usually to the accompaniment of the boom-boom of trench mortars, howitzers, field pieces, and the rat-tat-tat of machine-guns.

Lower Left—A engineer of the invading army attempting to span the much-talked-of Woosung Creek. Notice the cork floats now being utilized after many other materials have proved useless for the purpose.

Upper Right—Army Engineers attached to the 9th Div. of the local Japanse army making a preliminary survey before spanning Woosung Creek.

The Japanese gained territory about two by four miles in the Kiangwan neighborhood during their operations on February 20. Twelve hours of artillery fire was followed up with spurts across country by infantry jumping from cover to cover, the infantry being assisted by tanks. The Chinese withdrew, evidently according to prearranged plan, inflicting some casualties on the Japanese as they fell back. The Japanese eventually secured partial control of Kiangwan village, the greater part of which was burned out. Periodic attacks were made by air bombers on various railway stations along the Shanghai-Nanking railway line, in one of these raids the station master at Naziang being killed. Air bombing raids were also made on the Chinese headquarters at Chenju, where the Chinese claimed they had brought down another Japanese plane.

At Woosung the various units of the Japanese Navy kept peppering a way against the Forts, which, it will be remembered, had been reported captured by the Japanese at the very beginning of the operations in January. But these reports proved false. Terrific air bombardments had, it is true, silenced whatever large guns the forts possessed, but for weeks the Chinese have successfully held at bay by machine gun fire any attempt to capture the forts, by direct attack from across the river. The Chinese evidently also used the breathing spell that they had to bring up some large guns, which were placed either inside the forts or behind them. At any rate, the Japanese warships found that they could not venture too near the forts without running the danger of being hit, as every once and a while a shot would blaze forth in their direction. Shallow water near the forts also prevents the Japanese vessels coming close to the forts.

The fiercest fighting so far in the Shanghai campaign took place on February 22, a feature of which was countercharge on the Japanese who had taken the Kiangwan Racecourse. The countercharge was made by the Chinese when they saw that the Japanese had weakened their forces in their newly captured position. The countercharge was eventually driven back but only after

HIS SUNSET

This recent cartoon from *The Chicago Tribune* depicts the fate of China in the event the Japanese militarists succeed in their present adventure.

the Japanese had brought up reinforcements. Miaokangchen was the scene of a desperate man to man fight with bayonets. Some Chinese gunners were bayonetted as they were operating their machine guns. Other Chinese got their bayonets into the Japanese first. The Japanese at last accounts were making desperate attempts to capture the village of Yenkachai. Among the incidents of a night-long artillery battle was that several Chinese shells fell near the Japanese cruiser *Idzuma*, which is anchored off the Japanese Consulate General in Whangpoo road.

On the forenoon of February 23 a bevy of Japanese airplanes successfully bombed the Chinese airdrome at Hungjao, situated on the Hungjao road, a few miles out from the Foreign Settlement of Shanghai. The airdrome had no effective planes in it at the time, and only one Chinese was wounded. Three old planes in the hangar were destroyed The Japanese planes dropped something like a score of bombs in order to effect the destruction of the hangar. Two American airplane salesmen were on the premises at the time bombing started and had a narrow escape.

The failure of the Japanese to accomplish their aims with anything like the speed that they had anticipated was summarized by the principal British newspaper in Shanghai, the *North China Daily News* on February 23 as follows:

1. Crossing of the far reaches of Woosung Creek on the right flank of the advancing Northern Japanese Column by a large force of Chinese troops, which caused the Japanese to retard the forward movement, pending the dissipation of this menace.

2. Unexpected difficulty experienced by the Japanese of the Northern Column in bringing up munitions of war and the heavier artillery over a terrain in which there are no roads, but many bridgeless creeks and obstacles.

3. Stubborn resistance of the Chinese riflemen and machine-gunners in Kiangwan village, which has prevented the Southern Column from moving forward as rapidly as desired to link with the operations on the left position.

4. The fact that there are but approximately 11,500 effective Japanese bayonets with which to engage a Chinese army estimated to number about 75,000 in the Kiangwan sector alone, thus requiring every Japanese nuit to be used to the best advantage. The remainder of the Ninth Japanese Division and Mixed Brigade is engaged in holding the Japanese lines of communication and the rear area.

FAGOTS

From The Chicago Tribune

At the time of writing (February 24) the Japanese and Chinese are facing each other at close range along the Woosung creek and the Woosung railway and vicinity, the Japanese waiting for reinforcements and the Chinese strengthening their positions. Skirmishes are frequent and exchanges of artillery fire take place regularly. The Dixwell road area is gradually being destroyed by Chinese shell fire in reply to the Japanese. The Japanese are carrying out air-bombing raids on neighboring villages almost nightly, a form of warfare against which the Chinese are able to do little. Chinese positions in the area west of the line between Kiangwan-chen and Miaching-chen are strongly entrenched with barbed wire entanglements and steel covers constructed at all important points along their line. The real struggle is still to come.

Casualties among the civilian population in the International Settlement, and particularly in the Chinese area to the North of Shanghai, in which is located the Municipally-owned North Szechuen road extension and other roads, and also the Municipally-owned extensive Hongkew Park, are matters of daily occurrence. Up to the time of writing, although shells have been falling daily into the sector in the Central area patrolled by the American troops and Marines no casualties have so far occurred among them. During the shelling by Chinese artillery of the Japanese forces situated in the Chapei sector and North Szechuen road area during February 22, two Japanese teachers employed in the Japanese Central School were killed. The bodies were taken to the Japanese school in Range road. Three Japanese were injured when a shell exploded near Quinsan road. Casualties among Chinese residents are numerous. Fires are caused in dozens of districts daily and all attempts at recording them have been given up. The Dixwell road police station has become untenable because of the frequent dropping of shells there. Many houses in that neighborhood, including those of Japanese, are being struck by shells almost daily. On the night of February 22 refugees from that area came into Hongkew and slept on the floor of the Hongkew police station. The Japanese Marines still patrol the streets of Hongkew and frequent incidents occur between them and the Settlement police officials as to the division of authority.

The Hongkew Wharf, where two British sailors were killed by Chinese shells last week was again hit on the night of Feb. 22. The

Italian cruiser *Libia* was also hit, in connection with which the Italian Consul General has sent a protest to the Chinese authorities.

There is no gainsaying the fact that the situation as regards the International Settlement is critical in many ways. Life among the residents is daily becoming more dangerous as the result of shells dropping into it. This increased tension among the combatants may also be reflected in time, and deflected into a rush on the Settlement in the same way as that which the British Concession at Hankow was invaded several years ago. The situation has received the careful attention of both the American and British Consular authorities. The British residents have already received preliminary instructions as to how to proceed in case of an emergency call later on: they are to proceed to certain concentration points with the minimum amount of wearing apparel. The American Consul General, Mr. Cunningham, stated that "there is no occasion for concern and the interests of Americans in Shanghai are receiving careful attention." An evacuation committee has been formed by the American community.

A Suggestion to the Chinese—Display Your National Flag!

IT will not have escaped the attention of Shanghai residents, either foreign or Chinese, that there is a remarkable absence of display of the Chinese flag. Flags of all nations except the Chinese are in evidence. Considering the unanimity with the Chinese have displayed the National flag on past occasions when there has arisen some question which affected their interests, the question naturally arises: Why do not the Chinese fly their National flag at this critical moment? Investigation among the Chinese brings out the explanation that the Chinese populace has delcared a period of "mourning" because of the Japanese incursion and that it would not be appropriate in such a situation to display the National flag. That explanation seems quite a logical one, but *The Review* is of the opinion that the Chinese attitude in this respect is not a wise one. Now if ever is an occasion when the Chinese populace *en masse* should display their National flag. The Chinese community has displayed the flag unanimously on past occasions to signify its unity in matters of much less importance than the one that confronts them at the present time, and we feel that the Chinese community owes it to the brave soldiers in the trenches to flaunt the National flag as never before so as to show their sympathy with them in their hour of trial and as encouragement to them in their heroic defense against the Nipponese invaders. The whole idea of days of mourning should be thrown into the discard together with all such old ideas as the wearing of the queue, foot binding and the other fetishes of the dim and distant past. China has far too many days of mourning already. This is not an occasion for mourning or for wailing; it is a time for action! The official Kuomintang newspaper at Nanking, *The Central Daily News*, in a recent editorial, with commendable frankness, said:

> "The Shanghai struggle will be a test for the Chinese race—whether the nation will rise against foreign aggression, completely washing off the corruption and degeneracy of the past, or will it again sink into a state of submission and inactivity? If the nation has will-power and a spirit of resistance, whatever the military results will be China will have a chance of re-birth and re-building."

That is a commendable point of view, but one that is incompatible with a period of mourning! *The Review* suggests to the Chinese community promptly to bring the mourning period to an end with a unanimous display of the National flag. Look forward, sons of Han; not backward!

American Aviator Shot Down by Japanese Planes at Soochow

Interest on the part of Americans in China in other phases of the war in the Shanghai area was overshadowed during the week by the fact that an American aviator flying an American plane, while in the service of the Chinese government, was shot down by a group of Japanese planes in a thrilling air battle at Soochow, on the afternoon of February 22. The intrepid American who lost his life was Lieutenant Robert ("Bob") Short, 25 years of age, a native of the state of Washington. Short had the reputation of being a dare-devil flier, expert but reckless. He was formerly in the service of L. E. Gale & Co. Recently when there arrived here a brand new Boeing pursuit plane, with a cruising speed of 190 miles an hour, manufactured by the United Aircraft Company of Seattle, Short volunteered for service with the Chinese Government, being one of many scores of American and Canadian fliers who have offered their services in the present struggle. Short's offer was accepted. He applied himself diligently to helping in assembling the plane at the Hungjao airdrome, and early on the morning of Feb. 19 he started out from Shanghai on a flight to Nanking where the plane was to undergo inspection by the Chinese government. Just what happened in the interim is not quite clear, but at any rate the plane piloted by Short was at Soochow on the afternoon of Feb. 22 when three Japanese bombing planes and three pursuit planes arrived there with the evident purpose of repeating previous bombing raids. Short engaged the whole six of them and was brought down in about ten minutes, his plane being wrecked. The Boeing plane, as also most of the Japanese planes are, is equipped with machine guns which are synchronized so as to spit out their shower of bullets between the revolutions of the plane's propeller. Short was unable to bring down any of the Japanese planes, but he was able to prevent the Japanese from carrying out their bombing raid as they intended. When the Japanese planes returned to Shanghai, it was ascertained that one of the Japanese observers had been shot dead. The Japanese account of this thrilling air battle said the defeated airman had "fought very creditably." The plane in which Short met his death had been purchased by the Chinese government at a cost G$26,000, the China representative of the United Aircraft Company being E. B. Haines. The death of Short has had an electrical effect on American and Canadian aircraft circles, and one American aviator declared that sensational developments may be expected shortly. Short came into prominence in April of last year, when with Major F. N. Shumaker, also an American, he went to Japan with the plan of flying across the Pacific to Seattle in the "City Of Tacoma II" in which Harold Bromley had unsuccessfully sought to span the vast expanse of ocean. This project subsequently was abandoned because of difficulties in connection with the plane.

China's Minimum Conditions for Peace

BY FANG LO-TIEN

WHILE our men on the front are sacrificing their lives, and our people are offering everything that they have, for the sake of our national existence against the Japanese encroachment, it gives us serious concern to hear of the report that the Loyang Government is negotiating with the British, American, and French ministers on the peace conditions, which, though kept profoundly secret, must undoubtedly be the demands from the Japanese. Whatever the items of the negotiations may be, the conversations should, from the viewpoint of the Chinese people, not be held now and under the present juncture for the following reasons:

(1) The undeclared wars in Manchuria and Shanghai are both originated by the Japanese sudden attack on our troops in the dead of night without any provocations. Such nefarious act is in no respect different from burglary. For the maintenance of the integrity of our territorial sovereignty and the safety of our national existence, our people as a whole are determined, notwithstanding any and every sacrifice, to make a clean sweep of these burglars.

(2) The "peace zone" as is now suggested is essentially an equivalent of the "neutral zone," the same thing under an inoffensive disguise. This new term is coined obviously for the purpose of mitigating the intensity of the national protest that a vile peace may be patched up. The institution of the "peace zone" is, in fact to establish a new international settlement, whereby the peace-makers may realize a part of their design of international control of Chinese territory and, on the other hand, the Japanese may save their "face" in ending this infamous war. Such a violent contradiction of the principle of the integrity of our territorial sovereignty we Chinese as a whole are standing against to the last.

Appeal to the League a Waste of Time

(3) It is generally known that Great Britain, the United States, and France are all interested in the present conference of the League of Nations and the proceedings of the Council of the Shanghai International Settlement. But in spite of the four month's unremitting entreaties of the Nanking Government, who, since the Japanese outrage at Mukden, has not taken the least measure for self-preservation but has thrown its entire reliance on the League of Nations for the vindication of the pledges of the Washington Nine-Power Pact and the Paris Anti-War Pact, and for the redress of the wrong done by the Japanese, the League of Nations has been standing firm on the side of the violent aggressor. As to the Council of the Shanghai International Settlement, it has, from the outbreak of the Japanese bombardment of the Shanghai Chinese territory, allowed the Japanese armed forces to use the Settlement as its base of military operations against our national troops and slaughter our defenceless and innocent pedestrians on the streets of Shanghai. In spite of the repeated protests of Chinese authorities for the last three weeks, the Japanese attitude of the Settlement Council has not been in the least altered. It is true that the Japanese have a share in the privileges of the International Settlement, but it is equally true that the interests of the other concerned Powers are many times greater than those of the Japanese. While they have not taken any effective steps to check the Japanese actions which are detrimental to the legal basis of the settlement, these concerned Powers have from the beginning suffered the continuous large shipments of the Japanese armed force to land at the jetties under the control of the Settlement Council,—a fact which is a plain demonstration of the pro-Japanese attitude. We Chinese are, from the bottom of our heart far from intending to hurt the feeling of Great Britain, the United States, France, and all other nations besides Japan; but, under the existing circumstances, we have to keep a cool, vigilant watch on the movement of negotiations now going on between the Nanking Foreign Ministry and the representatives of the afore-mentioned Powers.

In the light of the above considerations we can hardly see any necessity for continuing the peace conversations with either these peace-makers or the Japanese themselves, when we have not yet reached any proper stage in the progress of the present war. If the Japanese be really regretful for their grievous mistake and desirous of peace, we, for the sake of a true and ever-lasting peace and prosperous friendship between the two peoples, shall proffer the following minimum conditions for the Japanese to adopt:

(1) The immediate and total evacuation of the Japanese military, naval, and air forces on the Chinese territory. Reasons: As peace is sincerely desired all warlike preparations are naturally inconsistent and should be entirely abolished. If peace negotiations be conducted with us under the auspices of heavy artilleries, it would be tantamount to compelling us to sign capitulations. At present, the strength that is actually engaged in the battlefield against the Japanese encroachment is merely one or two per cent of the entire armed force maintained by our people as a whole. If we sign capitulations with our enemies before our armed force is exhausted for the defence of the nation, what would be the object for our contributions and taxations for the maintenance of the troops?

Demand for Retrocession of Japanese Privileges

(2) The immediate retrocession of all the Japanese concessions and settlements and the like privileges on the Chinese territory. Reasons: The pretext of the Japanese armed occupation of the Chinese territory has always been the protection of the Japanese lives and properties in their settlements, and under this pretext the Japanese have constantly ravaged and plundered the lives and properties of our people, violated the integrity of our national sovereignty, and pushed as far as possible their continental policy as they are doing now. So long as this fundamental cause of the great danger to our national existence is not removed, the tremendous sacrifices of our soldiers and our people in the present war of self-preservation would ultimately amount to nothing.

(3) The immediate abolition of all the privileges the Japanese now enjoy in China, which the Chinese do not enjoy in Japan. Reasons: The same as under condition two.

The recompense for all the damages done by the Japanese for the last four months on our armed force, commercial interests, educational institutions, the lives and properties of our people and all others. Reasons: The present aggressor being the Japanese and the war being conducted on Chinese territory, the Japanese, according to international justice, should of course be responsible for all the injuries suffered by the Chinese. This international justice we Chinese, if we be not so abnormal as to deabase ourselves, must uphold at any cost.

The foregoing are the minimum conditions of peace, which we, as an independent and sovereign people, are determined and prepared to sacrifice everything and our lives to obtain in our present struggle for the preservation of our national existence.

Hangchow, Feb. 18, 1932.

Japanese Bringing Reinforcements to Shanghai War Area

Conflictng reports have appeared in print (the columns of *The Review* included) as to the strength of the Japanese forces in Shanghai. The reason for this is the extreme reticence which the Japanese have shown in giving exact details on the point. It is to be noted that on several occasions the Japanese statements have referred to additional forces being *contemplated* when as a matter of fact they *had already been sent.* At least one thing is certain: The Ninth Japanese Division is here in full force and some of the 12th division also as part of a Mixed Brigade, and further reinforcements were reported to have arrived during the week, some of them being from the 11th Division. The Eleventh Division, according to the *Japan Year Book,* is comprised as the follows:

Divisional H. Q. in Japan	Brigade, Regiment, Battalion, etc. of various corps and Headquarters		Garrison or Corps H. Q. in Japan
11th Division (Zentsuji)	Infantry	Brig. 10: Zentsuji . . .	Reg. 12 . . Zentsuji Reg. 22Matsuyama
		Brig. 22: Tokushima .	Reg. 43 Tokushima Reg. 44 . . . . Kochi
	Cavalry Reg. 11; Mount. Art. Reg. 11; Eng. Bat. 11; Comt. Bat. 11.		Zentsuji

It is to be noted that all the Divisions brought here contain mountain artillery. The 11th Division is drawn from the area lying southeast of Osaka. There are indications that the Japanese will gradually bring still more reinforcements, and recent statements of Vice Admiral Suetsugu, who had recently returned from Shanghai to Japan, in the *Tokyo Asahi,* indicate that the Japanese intend to take action on a much larger scale than had originally been contemplated. Vice Admiral Suetsugu is quoted as declaring that it was reckless to attempt an offensive without reinforcements as the Chinese were daily receiving reinforcements and strengthening their defenses

Japan's Adventure in the Shanghai Area

BY C. Y. W. MENG 孟長永

WHEN the Japanese admiral Shiozawa decided to present an ultimatum to the Chinese authorities demanding the withdrawal of the Chinese troops from Chapei and the occupation of the Chinese territory by the Japanese troops, he had every confidence that he could accomplish this within "four-hours." He was equally sure that he would be able to clear up all the Chinese troops in Chapei and Woosung in "one or two days." Probably the Japanese admiral was of opinion that Shanghai was also governed by "another Chang Hsueh-liang," who would merely adopt a policy of non-resistance in face of the foreign invasion. Secondly, he believed that the Chinese, like small children, could easily be frightened by an ultimatum and to yield to the Japanese demands. Thirdly, he believed that the Chinese troops could not fight a battle and that the Chinese were no match for the Japanese. So he ordered a dash troops into Chapei immediately following the presentation of his ultimatum.

But the events since Jan. 28.—the date when the Japanese blue-jackets first invaded the Chinese territory—as we all know, point clearly just the opposite of what the admiral believed. Despite reinforcement after reinforcement, bombardment after bombardment by highly-charged explosives, heavy artillery, even poison gas and dumdum bullets, the Japanese could not break through the Chinese defence lines. The attempt to cross the Woosung Creek to attack the Chinese only resulted in failure. General Uyeda's ultimatum to the commander of the famous 19th Route Army, demanding the withdrawal of the Chinese troops on or before 7: a.m. on Feb. 20, was to be responded by a reply that "Come, we are ready to fight."

Japan Defeated in Many Aspects

Japan will be defeated economically and internationally.

A careful study of the world public opinion will reveal to us that the whole world is now condemning Japan not only because of its barbarous brutalities committed by the Japanese in ruthlessly massacring the Chinese and attacking the foreign nationals and in destroying properties of cultural character in Shanghai, but also because their disturbance of the world peace which is so much needed in the present period of world-wide general depression and the economic crisis. We are living in the 20th century. We are supposed to be more rational than our forefathers. We are governed by the sense of reason and justice. In order to be a member of the family of nations, one has to live up to the well-established principles that govern relationships among the nations in the world. To behave oneself contrary to the world public opinion is to destroy one's own prestige and honor. By recent actions in Shanghai, Japan has acted just contrary to world public opinion and has destroyed its prestige and the privilege of being rational beings and a member of the family of nations. The present barbarous actions of the Japanese in Shanghai will leave a big "black spot" in the Japanese history which the Japanese would never be able to remove. Japan will hereafter be known as the "most barbarous country" in the world!

Japan is accustomed to accuse China of having violated treaties, but by disregarding the decisions of the Council of the League of Nations and by tramping under foot the Covenant of the League of Nations, the Washington Treaty, the Kellog-Anti-War Pact, etc., the Japanese themselves are violating the treaties to which Japan affixed her signature and solemnly pledged to observe before!

Due to the warfare in Shanghai—the commercial center—all the commercial transactions between the Chinese and Japanese have practically ceased. The Japanese military operations in Shanghai only tend to intensify the anti-Japanese feeling of the Chinese throughout the country and to intensify the boycott movement. Japan is anxious to recover the normal trade relations with China, but she has employed a wrong way. To cultivate friendship with the Chinese and to discard the gunboat policy is the only way to appease the Chinese. When the Chinese anti-British movement was in progress, the Japanese lost no time in taking advantage of the situation to rob the trade from the British in the Yantsze Valley. But now the Britsh are taking the same advantage to rob the trade from the Japanese. In making the final report on foreign report, Japan will realize the sudden and big slump of her foreign trade due to the Chinese boycott which is the sharp weapon of the Chinese to resist the Japanese invasion. Should the present situation be permitted to last a little longer, and should the Japanese militarists who are now "amuck", not be put under control, we will soon see the bankruptcy and foreclosure of the Japanese factories and establishments in Japan!

Japan's Position in Manchuria

The defeat suffered by the Japanese in Shanghai affects just adversely the present position of the Japanese in Manchuria! The success of the 19th Route Army in repellling the Japanese invasions inspired all the armies in China to discard altogether the policy of "non-resistance" but take vigorous measures for "self-defense." In every port accessible to the Japanese gunboats, the Chinese authorities have already put up various measures of self-defense. The preparations in Canton are said to have been completed. The chairman of the Shuntung Province Government is said to have declared that "we would not fire the first shot, but when we were fired upon, we would fire". Report has it that the Shansi provincial authorities have been ordered to put up several divisions of troops for the defense of Jehol. Report has it that the National Government has decided on a scheme of national self-defense by dividing the country into several sections. Generals Chang Hsueh-liang and Hsu Yuan-chuan would be in charge of North China. Generals Chiang Kai-shek and Han Fo-chu would be in charge of the North of the Yantsze Valley. Generals Ho Ing-ching and Chen Min-chu would be in charge of the South of the Yantsze Valley, Generals Chen Chi-tang and Hei Chung-hsi would be in charge of the South of China. Report further has it that in case of necessity, General Feng Yu-hsiang might be sent to the North. The numerous telegram addressed to the National Government by the different organizations in the different places all demanded that the Government should take steps to protect the coastal lines.

That the National Government has not yet given any express order for the recovery of the "lost territory" of Manchuria is apparently because the fact that the League's Commission of Inquiry is now on the way to China, and that as China has no idea of breaking the promise, she would wait to see the findings of the Lyton's Commission. What the result of the Commissionis enquiry will be it is not possible to foretell. But it is sure that China would lose no time in taking up various outstanding problems in Manchuria with Japan and having them settled, once for all, in accordance with the principles of the recognition of the sovereignty and independence of China and the territorial integrity of Manchuria, as provided in the Nine-Power Treaty. The "Shanghai Incident" marks definitely a change of the Chinese attitude, policy and action toward Japan from 'non-resistance' to 'positive resistance'; from the 'laissez faire' policy to 'firm stand' against the Japanese political and economic exploitation of any of the Chinese territory, and to further to inaugurate China's "Monrve Doctrine" against any foreign aggression. The Chinese leaders have further decided to regard the Sino-Japanese "Quasi War" in Shanghai and the Sino-Japanese dispute in Manchuria as "One" to be settled at "one time." The significance of this move need hardly be explained. Japan got a footing in Manchuria by her victory over China in 1895 but Japan loses it entirely by her defeat in her "quasi War," with China in 1932!

Nanking, Feb. 19, 1932.

A Chinese Newspaperman's Experience in "Mid Air"

Incidental to the outrageous charges which are made by various ricsha, carriage, boat and auto owners during the present troubles not only in Shanghai but elsewhere in China, comes a story from Nanking of how a Chinese newspaper man after returning to Nanking from the Shanghai front was mulcted. When his steamer anchored in midstream off Hsiakwan the deck boys obtained for him a small junk to proceed ashore, charging him the exorbitant sum of $35. Not content with this, they charged him another $15 to lower him into the junk by means of a rope. After he had been lowered it was discovered that the rope was too short and it was therefore impossible for him to reach the junk. The correspondondent, suspended in mid-air with the swift currents of the Yangtze below, shouted an offer of $10 extra for another rope to lower him safely into the junk. This was produced and he was finally lowered safely and conveyed ashore.

Harbin on the Eve of Occupation

BY E. U. BARUNG

DESPITE the present Sino-Japanese conflict and the numerous battles fought at different places in Manchuria, the life of Harbin, the metropolis of North Manchuria, remained undisturbed until the eventful day of the 27th of January when the battle between the troops faithful to the old, lawful authorities and the troops adhering to the new authorities of Kirin headed by General Shi-cha, was fought in the outskirts of Harbin, with the result that the troops of the latter general were forced to retreat, suffering a great loss in people through casualties. A Japanese airplane hovering on that day over the city and the position of the Chinese troops defending the city, was shot down by the troops, and one of the two pilots in it was killed; and the Japanese consul and the Japanese military Mission in Harbin declared that Japanese troops would be brought to Harbin to protect the life and property of the Japanese residents in the city and to maintain order, which as yet has been maintained in a perfect way by the Chinese police of the city; and neither life nor property of any of Japanese residents here had been endangered any more than those of the residents of other nationalities. There occurred a couple of weeks ago a street disturbance, but by combined efforts of the Chinese Police Authorities and the chief civil administrator of the special area order was soon restored. There was some mystery about this disturbance, about the way it originated and developed. A foreigner, a Russian or a Latvian, being a customer at a shop located in Kitayskaya street, which is the busiest thoroughfare in the city, quarrelled with the shopkeeper on the ground that the latter accused him of stealing some articles of goods in the shop. Their quarrel attracted a crowd of people to the spot. A number of policemen appeared soon on the scene and took the customer to the police office. Then every one had every reason to think that as regards the citizens it was all over with the incident and that it was up to the authorities to deal further with the incident and the parties to it; however this was not the case. The crowd, consisting of Russians in spite of repeatedly given orders to disperse continued to remain about the shop and kept growing in number till it reached about 2,000 people. Apparently somebody, who intended to cause a disturbance and then use it in a desirable way, pulled the strings behind the crowd. Some of the crowd attempted to disarm the policemen on duty in the street, which provoked the latter into firing.

No doubt the people in the crowd were inspired by somebody to whom a disturbance was desirable in order to benefit by it in some way or other.

The Japanese officials in Harbin paid very much attention to the disturbance. Their cars with correspondents of their newspapers in Harbin and officers of their military mission and consular service appeared several times on the spot. They took pictures of the crowd and the shop where the quarrel which caused the disturbance had occurred. They claimed to have been fired at by the policemen in the street, but fortunately none of them was wounded or harmed in any way. The events of those days, the crowd, their action, and all remain to be an enigma. Quarrels and even fightings had often occured in this city or elsewhere in Manchuria betwen Chinese and other nationals residing in the country, but never had such a crowd gathered around the quarrelling people. The people that happened to see a quarrel usually passed by, minding their own business and letting the parties to the quarrel alone.

Japanese Tactics and Policy in Manchuria

There is much discussion in the columns of the local papers about the forthcoming possible occupation of Harbin by Japanese troops, about the tactics and policy of Japan and her final objective in Manchuria, and whether she will win in the present conflict.

As regards the tactics and the policy of Japan in Manchuria, they are quite simple and by this time clear to every one. The higher Japanese officials in Manchuria, both military and diplomatic, first of all combine their efforts to find a discontented Chinese general or rather cause one, or, if necessary more of them, to feel discontented by instigating him and by blowing the sparks of ambition, which may be found in the soul of every one, into a flame which finally turns the general under the Japanese instigation and influence into a rebel against the lawful authorities. Then the Japanese supply him with war munitions, money, etc., and publish in the Japanese and in the Japanese controlled Russian language newspapers in Manchuria articles in which, while praising in most glowing terms the rebel, abuse the existing rulers and authorities in Manchuria, trying to prove that they are corrupt and that they got to be governors by a mistake of destiny. Rendering much and promising more aid to the rebel they encourage him into war activities against the lawful rulers. The rebel-general attacks and if he does not succeed they find some pretext to send their troops to strengthen the rebel's troops and to help them to accomplish the plan designed by Japan. The troops faithful to the lawful governor being beaten off their military and provision bases are forced to take shelter from the severe cold of the winter in the numerous villages in the country. The Japanese then declare them to be bandits, marauders, hunhutze, etc; and announce that they think it their duty to send troops to the places infested by the bandits and that they are ready to sacrifice themselves in order to deliver the population of those places from the rage of the demoralized bands. Then the Japanese troops march out to occupy places important from the strategical viewpoint, while Japanese airplane drop pamphlets calling the Chinese soldiers to go over to the side of the new government.

The above described policy and tactics were applied by the Japanese at their military operations in the regions about the Nonni river, at Tsitsihar, at Kirin, at Chingchow, and are being applied at the present time at Harbin.

Japan's Objective in Manchuria

According to the local Japanese press, Japan is striving to form a new independent Manchu-Mongolian state on the territory of the Three Eastern Provinces. A moment's reflection of the matter may lead any one to understand that the new state shall be independent only nominally, and the Chinese or the Manchu and Mongolian rulers of the State will be rulers only in name; for they and the whole affairs of the country will be under the full, although may be unrevealed, control of Japan until an opportunity affords itself to declare Manchuria or the Manchu-Mongol State annexed to the Japanese Empire. In short the Japanese are going to stick to the same program and plan as once was adopted by them for making Korea a component part of the Japanese Empire.

Japan's Failure in Siberia May Prove a Forerunner of Her Failure in Manchuria

The same divide-and-rule policy was pursued by Japan in Siberia at the time of the intervention during the Russian Revolution when Japan set Ataman Semenoff against Admiral Koltchak and promised the former every kind of aid. And well she kept her promise. But the more aid she rendered to that lucky man but unlucky Ataman the more she stirred up the feeling of hostility and indignation in the Russian people, who rose up to fight the Japanese as well as the Ataman. In vain he sent repeatedly punitive expeditions to different places in the vast Transbaikal, Amur and Maritime provinces, but he failed to make the population recognize him as their ruler. The Japanese as well as Ataman thought that an appearance of Japanese troops in the interior of those provinces would cow the country people and cause them to be obedient to the authorities appointed by Semenoff. They were vastly mistaken. The more frequently the Japanese troops came to villages in the interior of the provinces the more intensely grew in the Russians the feeling of hostility towards the Japanese, and the more fiercely the Russian Cossacks attacked the Japanese detachments, causing them every time to retreat back to their military bases in towns along the trunk line of the Siberian railway. Well and long the Japanese shall remember their defeats and heavy losses in people and war munitions in Siberia, and especially in Maritime province where Russian Cossacks and peasants led by the brave Triapitsin, skilful in guerrilla war, were indefatigable enemies of the Japanese. The Japanese military expedition to Siberia as regards its aims and purposes was an utter failure.

Is the present Japanese drive into Manchuria not likely to be a failure likewise? By her present actions in Manchuria Japan has aroused in the Chinese people an intense feeling of indignation and hostility towards the invaders on one side and a deep feeling of patriotism on the other hand, which feelings when combined together form a great force to be reckoned with by every nation in her dealings with another. And it is a great question whether Japan will be able to overcome this great force of the masses of the Chinese people, the great force which does not abate or is worn away, but grows, and grows spontaneously, with time.

Harbin, Manchuria, Jan. 30, 1932.

The American Note to Japan

(*London Economist, Jan. 16*)

The Far Eastern situation entered on a new phase last week, when the American Secretary of State, Mr. Stimson, addressed to the Japanese and the Chinese Governments an identical Note, announcing that the United States

"cannot admit the legality of any situation de facto, nor does it intend to recognise any treaty or agreement entered into between those Governments or their agents which may impair the treaty rights of the United States or its citizens in China, including those which relate to the sovereignty or independence or territorial and administrative integrity of the Republic of China, or their international policy relative to China, commonly known as the Open Door policy.

"The United States Government does not intend to recognise any situation or agreement which may be brought about by means contrary to the covenants and obligations of the Pact of Paris of August 27, 1928, to which treaty both Japan and China, as well as the United States, are parties."

The reference in the first of the two paragraphs here quoted is to the Nine-Power Treaty "relating to principles and policies in matters concerning China," which was signed in Washington—as one of the results of the Washington Conference—on February 6, 1922, by the United States, Belgium, the British Empire, China, France, Italy, Japan, the Netherlands and Portugal. In the first article of this instrument the signatories agreed:—

"1. To respect the sovereignty, the independence, and the territorial and administrative integrity of China;

"2. To provide the fullest and most unembarrassed opportunity to China to develop and maintain for herself an effective and stable Government;

"3. To use their influence for the purpose of effectually establishing and maintaining the principle of equal opportunity for the commerce and industry of all nations throughout the territory of China;

"4. To refrain from taking advantage of conditions in order to seek special rights or privileges which would abridge the rights of subjects or citizens of friendly states, and from countenancing action inimical to the security of such states."

Moreover, in the seventh article of this treaty the nine signatories agreed that "there should be full and frank communication between the Contracting Parties concerned" whenever a situation arose which involved the application of the treaty in the opinion of any one of them.

American Example Not Followed

In the spirit of this last article, Mr. Stimson, last Thursday, handed copies of his Note to the diplomatic representatives in Washington of the other six Washington Treaty Powers, besides addressing the Note to the Chinese and Japanese Governments directly. At the same time, he expressed the hope that the six Powers concerned would address Notes, in the same sense as the American Note, to the two principals in the present Manchurian conflict.

Up to the present moment this American suggestion does not appear to have been acted upon by any of the six Powers in question; and one of them—and this Great Britain herself—has already made it clear that she does not intend to take such action. Last Saturday the Foreign Office issued a communique declaring that His Majesty's Government stand by the policy of the Open Door for international trade in Manchuria, which was guaranteed by the Washington Nine-Power Treaty; that, since the beginning of the present Manchurian crisis, Japan's intention to uphold the Open Door policy in Manchuria had twice been re-affirmed officially on the Japanese side; and that in view of these statements His Majesty's Government have not considered it necessary to address any formal Note to the Japanese Government on the lines of the American Government's Note, but the Japanese Ambassador in London has been requested to obtain confirmation of these assurances from his Government.

In this British official communique the exclusive reference to the Open Door makes the other subject of the Washington Nine-Power Treaty that is, "the sovereignty, the independence, and the territorial and administrative integrity of China"—conspicuous by the very silence in which it is passed over. It is almost as though the Foreign Office had "tipped the wink" to the Japanese Government that Japan could do what she like about China's integrity and independence as far as Great Britain was concerned. And it is significant that, the day after this communique was issued in London, Japanese officials in Tokyo were suggesting to foreign press correspondents that the "administrative integrity" of China, which the signatories of the Nine-Power Treaty are pledged to respect, is "an example of nebulous phraseology which needs to be revised."

At the moment, we may conjecture, both the Japanese and the British Governments are congratulating themselves on their Realpotitik. The Japanese feel that, after having successfully defied the League of Nations and the United States when they were acting together, they have little to fear from an isolated American demarche. They point out that in 1915, after the presentation to China of the Twenty-One Demands and the imposition upon China of the South Manchuria Treaty at the point of an ultimatum, the Japanese Government received from the United States just such a Note as Mr. Stimson's. On that occasion Japan left the Note unanswered, and the United States took no action. Presumably history will repeat itself. In 1915 American hands were tied by a great war in Europe, into which the United States was in prospect of being drawn. (The Twenty-One Demands were delivered the week after the sinking of the "Lusitania.") In 1931 American hands are tied once more by a worldwide economic crisis. (The Japanese adventure in Manchuria was started during the week-end in which Great Britain went off the gold standard.) In the world economic crisis the United States is deeply involved already. Mr. Stimson's Note is assuredly a substitute for action and not a prelude to it. In the picturesque language of a Chinese observer, who is as much disgruntled as the Japanese are self-satisfied, "the Note has the head of a dragon and the tail of a rat."

If this represents the Japanese point of view, we may imagine our own Foreign Office congratulating itself on having refused to burn its fingers for the sake of China (another India) or for the sake of the League (an idealist's luxury). By following the dictates of a statesmanlike cynicism, Great Britain has retained and confirmed the goodwill of the Great Power who has just demonstrated that, in the Far East, she is mistress of the situation.

Second Thoughts

If these are the first thoughts of British and Japanese officialdom, their second thoughts may prove less agreeable when the next chapter in the Manchurian melodrama unfolds itself. How, for instance will the Foreign Office communique be read in Australia and New Zealand and Canada? Here are three English-speaking countries which all, like the United States, have sea-boards on the Pacific. Will they not interpret—and fairly interpret—this communique from Downing Street as a virtual abdication of the historic primacy which the United Kingdom has held in the Far East? In the middle of the nineteenth century we gained that primacy by the militant—and, as the Economist believes—anachronistic methods that Japan is employing in Manchuria now. In 1927 we recovered our position by taking the lead in the Far East once more on a new line—by initiating a liberal policy towards China in consonance with modern international conditions. Is all this now to go by the board? In the Far East, His Majesty's Government in Great Britain has now handed over the big stick to Japan and the beau role of the United States. And nothing is better calculated to produce a change in the political orientation of those States members of the British Commonwealth which happen to have seaboards on the Pacific and which therefore cannot wash their hands of Manchuria with the same short-sighted complacency as His Majesty's Government in Ultima Thule. Mr. Stimson's Note and the Foreign Office communique, between them, have gone far to transfer from London to Washington the leadership of the English-speaking world in the all-important field of the Pacific.

As for Japanese second thoughts, we venture to prophesy that Mr. Stimson's Note will work like a piece of radium, which appears to be lying inert in a box, while all the time it is emitting a penetrating and destructive and unceasing radiation. For time, in the second chapter of the Manchurian story, shows signs of changing sides. From the seizure of Mukden on September 19 down to the completion of the Japanese occupation of Manchuria last week, time has worked in Japan's favor. While the League Council wavered, the Japanese Army carried out its operations swiftly according to plan. Now that the plan has been executed, the Japanese are faced with the new problem of holding what they have taken; and now time may begin to work on the side of the Chinese guerillas, to whose favorite methods of warfare the Japanese have exposed themselves by the enormous lengthening of their lines of communication. We do not believe that the Japanese Army will succeed in clearing Manchuria of brigands within three months or within many times that period. And meanwhile, the Nine-Power Treaty and the Kellogg Pact will be working, impalpably, but potently, upon the public opinion of the world to Japan's undoing. We have not seen the end of this Japanese adventure, or the ultimate ill-effects of British policy in regard to it.

The Sufferings of the Japanese People

BY PAUL K. WHANG (汪仲芳)

A Japanese friend of mine, who was my class-mate at an American university and is now a business man at Kobe, has recently written me a letter, in which he greatly deplored the present Sino-Japanese impasse and said, "I assure you that I have a great sympathy toward the sufferings of Chinese people who have been made the victims of Japanese bombers and heavy guns. But I must tell you that our sufferings are even greater: Not only are we called upon to bear additional burdens of taxes, with which our military leaders can defray the military expenses of carrying on a costly campaign against a neighboring country; but our livelihood has been made harder every day through the loss of China trade. The glory which our military men have promised to bring to us can not compensate the losses of our business men who depend upon friendship and goodwill to push their China trade."

The sentiment embodied in that letter will possibly give us some idea as to the attitude of Japanese business men toward the military policy sponsored by their militarists. While Japanese business men have tried everything possible to promote Chinese friendship and goodwill so as to capture the large bulk of China trade, their militarists have undone what they have endeavored by continuously wielding big swords over China. As a result, the large bulk of China trade which ought to be handled by Japanese business men has now gone to other countries, and the Japanese people as a whole have suffered thereby. Therefore it is logical for my Japanese friend to say that he has valued the commercial interests more than the military glory.

Japan Depends on China for Raw Materials

That the development of Japan's industry and commerce depends upon China's natural resources and Chinese purchasing power is a patent fact. To Japan, China is not only a source of raw materials for her industry, but also a market for her finished products. Millions of Japanese people have made their living by manufacturing raw materials into finished products, and the Japanese treasury has been enriched by levying taxes on the importation of raw materials and the exportation of finished products. Thus Japan can not survive without the existence of China. This state of affairs has been long recognized by the far-sighted Japanese business men and intelligentsia, who, in the past, have incessantly preached the doctrine of Sino-Japanese cooperation, and formed many organizations as a measure of fostering friendship and goodwill between the Chinese and Japanese people. But the China trade which has been so prized by the Japanese business men is nothing comparable with the military glory to their militarists who have entertained the wide dream of subjugating the whole of China. During the past two decades, while other foreign Powers have more or less respected China's sovereign rights and territorial integrity, Japan, at the dictates of her militarists, has taken advantage of China's weakness by exacting rights and privileges from the Chinese government. In 1915, while other Powers were busily engaged in the Great War, Japan coerced the then Peking government to accept the notorious Twenty-one Demands. In the Versaille Conference in 1919, Japan refused to return to China the Shantung province which she grabbed away from Germany. Again in 1927, she purposely sent an expeditionary force to occupy Tsinan so as to prevent the Nationalist force from invading the northern provinces. On each occasion, China, being a weak country, had no alternative to resist the Japanese aggressiveness but to resort to the economic weapon known as the boycott. Every time this weapon has been wielded by China, the Japanese business men have borne the brunt and suffered losses accordingly. Thus the Japanese business men reap the ill effects of what their militarists have sown.

An Effective Boycott

Since Japan's forcible occupation of Manchuria in Sept. 18, 1931, China has again adopted the old tactics of boycotting Japanese goods. For four months, this boycott movement has been maintained and enforced vigorously with the creation of such agencies as anti-Japanese associations. This movement has been especially strong in Shanghai, which is the principal market of Japanese goods. The Japanese militarists, posing as the champions of their business men, have found fault with the anti-Japanese associations and demanded their closure in an ultimatum to the mayor of Greater Shanghai. But the subsequent events after the night of Jan. 28 have clearly shown to us that the boycott movement is not the real reason which has prompted the Japanese militarists to demonstrate their military prowess in Shanghai, because if they have really the commercial interests of their business men at their heart, they would have been satisfied when the mayor of Great Shanghai unconditionally accepted their demands and sealed up the headquarters of the anti-Japanese associations. But what they have done so far has only served to undermine the commercial interests of their own business men and to increase the anti-Japanese feeling among the Chinese people. The occupation of the Hongkew district by the Japanese forces has practically converted the Japanese business center into a desolate place, and therefore the loss to the Japanese business men at Shanghai must be enormous. About one-third of the 30,000 Japanese people at Shanghai have already been shipped back to their own country, and the Japanese people in the neighboring cities have all evacuated. Up to the night of Jan. 28, in spite of the boycott movement, the Japanese people could still conduct their business elsewhere without molestation from the Chinese people, but now they have to close down their business houses indefinitely. Moreover, the invasion of Chapei with the wholesale destruction of Chinese properties and the murdering of Chinese people will so intensify the anti-Japanese feeling among the Chinese people, that they will spontaneously and voluntarily boycott Japanese goods without the need of coercion and intimidation of any anti-Japanese associations. The business men at Kobe and Yokohoma will feel for a long time the consequences of the atrocities committed by Japanese force here at Shanghai.

It becomes clearer every day that Japanese militarists are determined to occupy Shanghai, the commercial and financial center of China, as a lever to bring China to terms. In order to attain this goal, reinforcement after reinforcement has been sent here, and up to the present time, the total Japanese force has been brought to 50,000 strong including soldiers and marines. General Araki, Japanese minister of war, as announced on Feb. 16, is ready to "send all the men needed" to settle the "local incident". Despite the declarations made by the Japanese commanders that their expedition is on "a mission of peace", and that "there is no quarrel with the Chinese people", and "no injury will be caused to international commercial interests", Japanese militarists have so for refused to listen to the peace proposals of neutral Powers. In other words, they will not cease hostilities, until they achieve a decisive victory and drive the Chinese troops to a "safe" distance from the Settlement. As the Chinese are determined to fight to a finish in defence of their nation unless a just settlemnnt of the Shanghai situation as well as the Manchurian question can be effected, military operations in the neighbourhood of Shanghai can easily be dragged on for at least a period of six months. The continuation of hostilities in China will be highly injurious to Japan's commercial and industrial interests. The wanton destruction of Chinese industrial and business establishments in Chapei, Hongkew and Woosung has already deprived millions of Chinese people of employment. The prolongation of war will strangle China's commeree and industry, thereby increasing the number of unemployed Chinese. These middle and lower classes of Chinese people, who are the best customers of Japanese goods, will no longer have the means to buy the imported Japanese articles. In the meantime, the commercial interests of other Powers in China will be also affected by the Japanese invasion. Thus Japan's militant actions at Shanghai will not only destroy her commercial interests in China, but will also jeopardize those of neutral Powers.

Japanese People Will Suffer

No matter what will be the outcome of the present Sino-Japanese episode, the Japanese people will suffer drastically, Financially. Japan is not in any better position than China, and for the last two years the budget of the Japanese government has never been balanced. Since the Manchurian invasion, the financial strain has become more acute, and bonds to the value of 34,000,000 yen have to be floated to cover the expenses incurred by the Japanese military and naval forces at Shanghai. It is said in an editorial of the *China Press* on Feb. 17, "The proceeds from the Yen 34,000,000 loan can last only two months at most if the amount of money spent during Japan's Tsinan expedition is taken as a guide. If more troops are to be sent here and if a period longer than two months is needed, larger loans will have to be floated." Granting that the Japanese people are patriotic, we wonder if they can support their army and navy indefinitely in an aggressive war against China, when they are reduced to a destitute

(*Continued on page 418*)

The Japanese Ultimatum to the 19th Route Army

The following is a translation of the text of the Japanese note delivered to Gen. Tsai Ting-kai, commander of the 19th Route Army, by Gen. Uyeda, commander of Japanese forces in Shanghai, at 9 p.m. Feb. 18.

"Prompted by my warmest hope and desire to perform my duties by peaceful and friendly manner, I herewith present to you the following articles:—

"1. Your forces will speedily cease all warlike operations and complete the evacuation of your first line before 7 a.m. on Feb. 20th.

"By 5 p.m. on Feb. 20 you shall have completed the evacuation of the entire area to a depth of 20 kilometers north of the following lines, including the Szetselin Forts, namely, to the west of the Whangpoo River, draw a line from the north-west point of the International Settlement, through Tsaochiadoo and Chowchiachiao to Pootungchen, and to the east of the Whangpoo River a line from Lannidoo to Changchiachiao. All fortifications and military works to be completely removed in the evacuated area, and no new ones to be erected.

"2. Japanese troops shall not attack or bomb or chase Chinese troops once they have begun evacuation. This, however, does not prevent aeroplanes from being sent out on observation duty.

"Japanese troops shall, after the evacuation by Chinese troops, maintain only the Shanghai Municipal roads area adjacent to Hongkew including the Hongkew Park.

"3. Japanese troops shall, after the evacuation of the first line by Chinese troops, send to the evacuated area investigators guarded and protected by Japanese soldiers. The said investigators shall carry Japanese national flags for the purpose of identification.

"4. Chinese troops shall assume full responsibility for the safety of life and property of Japanese people outside of the evacuated area, failing which the Japanese shall take necessary steps.

With regard to plainclothes men they are to be effectively suppressed.

"5. As regards protection for foreigners in the vicinity of Shanghai, including the evacuated area, the matter will be dealt with separately.

"6. With reference to the boycott movement the promise of Mayor Wu as declared on Jan. 28, must be strictly enforced. Relating to this clause the matter shall be dealt with by diplomatic negotiation between Japanese Foreign Official and Civil Administrative Official (Chinese) of Shanghai.

"Unless the above articles are complied with Japanese troops will be compelled to take free action in which event Chinese troops must be responsible for all the consequences resulting therefrom."

(Signed: Uyeda)

A similar Ultimatum was sent to Mayor Wu Te-chen by the Japanese consul-general, Mr. Murai.

Mayor Wu Defines China's Position

In statement issued by General Wu Teh-chen, Mayor of Greater Shanghai, end of last week, he reiterated the desire of China to secure an honorable and lasting peace and challenges Japan to prove her sincerity with regard to her many protestations for peace. Among other things Mayor Wu said. "China has clearly evidenced her wish for peace by having accepted all neutral proposals for the cessation of hostilities between the Chinese and Japanese forces in this locality. At this juncture it must be reiterated that we want an honorable and lasting peace based on those neutral proposals. We are willing and ready, as we have always been, to take such steps as will effectively restore peace through the removal of all contact between the armed forces of the two nations confronting each other in this area. We are willing to enter into negotiations for the settlement of all their outstanding differences on the basis of the five points proposed by the Four Powers.

"If the Japanese officials now in command of their forces in the Shanghai area honestly desire peace as they have repeatedly professed, through the removal of the fundamental causes, they are most urgently invited to accept this proposal. Their acceptance of the proposal, and nothing else, will sustain their protestations for peace. Their continued refusal to entertain the suggestion made by disinterested neutrals, which we have accepted in toto, can mean nothing but Japan's determination to effect the conquest of China."

General Tsai and Mayor Wu's Reply to Japanese Ultimatum

The reply from General Tsai Ting-kai, Commander of the 19th Route Army, and Mayor Wu Teh-chen, Mayor of the Municipality of Greater Shanghai, were handed to the Japanese Commander in Chief and Japanese Consul-General, respectively on the night of Feb. 19. In both instances the replies to the Japanese ultimatum neither accepted nor rejected the Japanese demands. They merely stated that the demands had been submitted to the National Government for consideration. The replies follow:

Lieut.-General Uyeda,

Commander of the Japanese Forces.

Sir:—I have noted the contents of your letter dated 9. p.m. February 19.

In reply I have to state that the troops under my command are an integral part of the army of the National Government of the Republic of China by whose orders alone all its activities are directed.

I have, therefore, submitted your letter to my Government for consideration. Our Minister of Foreign Affairs will, in due course, communicate with His Imperial Japanese Minister to China on the subject.

(Signed) TSAI TING-KAI.

Mr. K. Murai,

Japanese Consul-General, Shanghai.

Sir:—I have the honor to acknowledge receipt of your letter of February 18, the contents of which are noted.

In reply I have to state that the grave situation prevailing in Shanghai, as referred to in your letter, is due to the invasion of our territory and the brutal murder of our people by your troops in violation of all international treaties and international law. That your Government should bear full responsibility, therefore, I have repeatedly emphasized in my previous letters to you.

I do not deem it appropriate to transmit the terms contained in your letter to our military authorities as requested. Inasmuch as the measures called for in your letter have a direct bearing upon the general relations between China and Japan, they should be dealt with by the diplomatic authorities of the two countries concerned. I have, accordingly, transmitted your letter to my Goverment for consideration and for reply to His Imperial Majesty's Minister through the Ministry of Foreign Affairs.

I have to point out, however, that as acts of provocation by attack, bombing and bombardment on the part of your troops continue unabated the indignation of our people has daily been intensified. Under these circumstances, it is natural that the so-called anti-Japanese activities should fail to cease, and the responsibility in this connection must rest entirely with you.

(Signed) WU TEH-CHEN.

Hu Han-min Discusses the Manchurian and Shanghai Situations

In a statement to the press, Hu Han-min, leader of Kuomintang Right Wing, who is now staying at Hongkong, declared that the Manchurian situation and the Shanghai affair must be considered as one issue and cannot be settled separately. Pending the complete withdrawal of Japanese troops from Shanghai, Mr. Hu stressed, there can be no room for negotiations for a settlement of the Shanghai affair.

In regard to the war situation, Mr. Hu urged that the high Military Authorities of the Government should dispatch sufficient reinforcements to assist the 19th Route Army in ousting the Japanese forces from Shanghai and rescind the orders for the dissolution of the volunteer corps or self-defense forces in various parts of the country and organise them into popular forces to resist the Japanese aggressions.

Regarding the situation in Manchuria. Mr. Hu advocated that adequate forces should be immediately dispatched to Three Eastern Provinces to recover the lost territory. Further, Mr. Hu urged that immediate measures should be taken to strengthen and fortify the coastal defenses in order to prepare for a prolonged armed resistance against the Japanese military invasion.

Discussing the diplomatic policy, Mr. Hu expressed his endorsement of the stand of Messrs. Sun Fo and Eugene Chen, who advocate severance of diplomatic relations with Japan and appeal to international justice for an equitable settlement of the Sino-Japanese issue, while at the same offering armed resistance.

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Japanese Invasion in Shanghai

BY JAMES SHEN

AFTER having practically occupied the whole Manchuria, in defiance of all international agreements to which she affixed her name of honor, Japan deems it expedient as well as necessary to shift the attention of the Chinese people and that of the world from Manchuria to an entirely new scene. The selection of such a scene involves two standards. First, it must be a place of international concern so that any trouble around or in that area will constitute a menace to the interests of all nations concerned, who in order to protect their respective interests and privileges are to be expected to bring their pressure upon China urging the latter to negotiate with Japan at any cost. Second, it must be a vital point in the body economic of China so that any threat, at its destruction will suffice to coerce the Chinese government to surrender and give away whatever Japan wants to exact from her. Really, Japan can make no better choice than when she decides upon Shanghai, which is a city of international concern and at the same time the financial capital of China. This is the fundamental explanation of Japan's loatheless actions in Shanghai.

In order to start some trouble, a pretext is necessary, and if none exists, it must be created. Thus, Japan casts her eagle eye on the anti-Japanese movement and especially the boycott, which have been gaining in momentum in the Yangtzse Valley with its stronghold in Shanghai. This patriotic activities of the Chinese people, coming into existence since the Japanese military started to occupy Manchuria last September, are really a pacific weapon. But, Japan in order to find a peg to hang her falsehood, construes these peaceful activities of the Chinese people as hostile acts against Japan and demands satisfaction from the Chinese authority in Shanghai. However, much to the surprise of the Japanese naval admiral who delivered an ultimatum to the mayor of Shanghai demanding the immediate dissolution of all anti-Japanese organizations and the cessation of boycott, the Japanese demands were complied with by the Chinese authority in Shanghai before the time set in the ultimatum expired.

The Invasion Chapei

But shortly after the Chinese reply was accepted and declared by the Japanese consul-general in Shanghai as satisfactory, the Japanese marines, after being harangued upon by their leaders and given a great ovation by their nationals around their headquarters in Hongkew, Shanghai, invaded Chapei, the Chinese section of Shanghai, which they intended to occupy by a surprise attack. This clearly shows the determination of the Japanese military to invade Shanghai by any means even in the absence of any provocation or pretext. That the conflict in Shanghai does not occur as an accident, but comes as a result of deliberate scheme on the part of Japan needs no further proof than the fact that the Japanese military started offensive even when their demands were complied with.

With the Japanese bombardment of Shanghai, it has become clear beyond any shadow of doubt to China that she has no alternative but to resist with all her might. The heroic stand of the 19th Route Army in defending Shanghai from Japanese invasion has such an unifying effect on the opinion of the Chinese people that there is left no room for dissent on this very point. In this respect, the decision of the Chinese government to remove from Nanking to Loyang is of the greatest significance. That means China has made up her mind not to yield, but to resist. The enemy may occupy, if they can, the seacoast territory. But China still has her vast hinterland to retreat to and to put up a perpetual and stubborn resistance against the Japanese invaders. In other words, the Chinese people as one person have decided not to yield, to a foreign foe, however strong that foe may be.

But while Japan has underestimated the moral courage ment of the Chinese government as well as the fighting strength of the Chinese troops, Japan is however correct in anticipating the intervention of other Powers having interests in the Yangzse Valley. Shortly after the military clash between the Chinese defenders and the Japanese invaders, the British and American consuls in Shanghai exerted their best in trying to bring about peace but in vain. This was followed up by the action of their respective governments. On the fifth day after the clash started five Great Powers of the world, namely, Great Britain, United States of America, France, Germany and Italy, each handed a virtually identic note both to Japan and China, urging an early settlement of the outstanding controversies between the two countries.

The proposals as embodies in these notes constitute altogether five points. They are:

1. There should be a cessation of all acts of violence on both sides.

2. There should be no further mobilization or preparation for further hostilities.

3. Both the Chinese and Japanese combatants should withdraw from all points of mutual contact in Shanghai.

4. There should be established a neutral zone which is to be policed by neutrals so as to divide the combatants.

5. Upon the acceptance of these conditions, prompt advances should be made in negotiations to settle all outstanding controversies between the two countries in the spirit of the Peace Pact of Paris and the resolution of the League of Nations of December 9th without prior demand or reservations and with the aid of neutral observers or participants.

No Negotiations Until Japan Yields

Upon the receipt of the five identic notes, the Chinese government promptly announced its acceptance of the Powers' proposals. But Japan again defies the conscience of the world in refusing these proposals particularly the fifth point which provides for the aid of neutral observers or participants in the course of negotiation. Her strong opposition to this very point proves, coupled what she has been doing in Manchuria and elsewhere, her territorial ambition at the expense of China.

It is entirely a wrong conception that China is not willing to negotiate with Japan for the settlement of her disputes with Japan. Instead, China is fully aware that the ultimate settlement of the conflict has to take the form of negotiation. But what China is emphasizing is the environment under which negotiation is to take place. No negotiation will be possible under the present conditions, when Japan is making all necessary arrangements for the detachment of Manchuria from China and for the destruction of China's economic and financial centre. While China, for the sake of expediency, may wave her original stand of "no negotiation without evacuation," she will never choose to negotiate unless Japan stops instantly all her intrigue in creating a new state in Manchuria, calls of the Japanese troops attacking Shanghai, and definitely promises to withdarw her troops in Manchuria and elsewhere in China by a certain date, thereby returning to China all the territory and the sovereignty thereof. There will be no negotiation, until Japan yields on this point.

By insisting that the conflict in Shanghai and the Manchuria questions are two different things, Japan is trying to separate a side-issue from the main issue. This is absolutely impossible and the Chinese government will never give its consent for an unwarranted separation.

Japan's insistence that no third party is to be permitted and that she is going to negotiate direct with China speaks louder than anything else as to her real intentions. What is more, recently Japan has not spoken so after as before for direct negotiation with China. Does that mean that she has changed her mind and decided not to negotiate at all?

Assuredly, it is better to have neutral observers or participants throughout the negotiations in view of the tension of the national feelings of the two countries. But this very point forms the chief reason of Japan's refusing the Powers' proposals. As a matter of fact, negotiations will not become "indirect" with the presence of such neutral observers.

The whole case, to put it simply, is one between a victim and a criminal. China is the victim and the plantiff, while Japan the defendent before the court of world justice. What China wants is merely the cessation of Japan's infringemets upon her sovereignth and territory. On the part of Japan, she has only to be brought to account for what she has committed. As a matter of fact, there can be found no clearer case than the one between China and Japan.

If Japan's refusal of the Powers' proposals is a shock to the world, then a greater shock is to be found in the amazing *Reuter* report emanating from Tokio that Japan plans to sound the powers regarding the proposal to establish demilitarized zones, 15 to 20 miles in width, around the principal trading ports, notably Shanghai, Hankow, Tientsin, Canton and Tsingtao. This is a definite effort on the part of Japan to cater to the psychology of the interested nations.

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This proposal of Japan if carried out, would amount to depriving China of the rights of existence and self-defence and all the rights and safeguards of an indepedent state. No nation in the world, even defeated in war, would sign away this birthright much less China, who has never declared war on another country. We believe that international justice and righteousness still exist in the world, and we also have reason to believe that the Powers will not be misled, even if Japan actually makes such a proposal.

We are positive that the Chinese government will never agree to give away her birthright. Not to say the coercion of Japan alone, even the pressure of the world will not suffice to compel China to yield on this point. "The China of today is not the China of 1901. The Chinese government will never sign a treaty of 31 years ago, which is out of date today."

Heavy Losses in Yangtsze Valley

Just a word or two to the principal Powers having commercial interests in the Yangzse Valley, and especially Shanghai. The world today is one economic body and economic questions have to come to dictate to a great extent the foreign policy of all nations. The natural result of this new factor is the popular demand for peace and increasing opposition against destruction. Consequently, the Japanese bombardment of Shanghai actually goes against the China trade of all nations, including Japan itself. Judging by what the Japanese military are doing in Shanghai, not only will Shanghai be destroyed but also all the principal cities of the Yangtzse Valley. No one will question the seriousness of the loss that will necessarily be inflicted on all interested nations, if the trade in the Yangtzse Valley should be interrupted for, say, six months. This explains the motives of the five Powers' protest both to China and Japan regarding the conflict in Shanghai.

Of all nations in the world at present, Japan is the only country which is sticking to the policy of attacking and destroying markets. This is distinctly a sinister stroke to the economic welfare of the world, especially at the present moment, when the world is suffering from a general business depression and is reaching the lowest level of its prosperity. The Yangtzse Vally is the nerve centre of China's economic structure. It goes without saying that as a result of Japan's barbarous actions in that basin, China will have to suffer most. But no interested nations will be able to escape from the same calamity. The longer the Japanese are allowed to continue their aggression and their destruction, the greater will necessarily be the loss to all nations.

Therefore, the Powers, for the protection of their trade interests alone, will find it difficult to remain quite for good, because in the long run such an attitude does not pay, after Japan succedes in destroying the whole Yangtzse Valley and in settlement down in Manchuria. If the Powers do not act immediately in checking the Japanese military, they will find it out when it is already too late, that there will be no Chinese in the Yangtzse Valley financially capable of buying their products, and that the "door" in Manchuria which used to be opened to all nations will be opened to the Japanese alone.

Peiping, Feb. 19, 1932.

Manchurian Independence to Be Proclaimed

At a reception held at Mukden Feb. 18 under the auspices of the Japanese with a Japanese consular official acting as interpreter, General Chang Ching-huei, formerly chairman of the Harbin government, announced that a proclamation would soon he issued declaring the independence of the four northeastern provinces and Harbin area and severing all relations with the government under the Kuomintang.

The proclamation states: "The Northeastern Political Council here-by formed is temporarily functioning as the government with three objects; firstly, to reform the administrative system by eliminating all the influence of former misruling militarists; secondly, to improve the morality of the people which has degenerated during the former misrule; thirdly, to establish harmonious relations with foreign countries and to promote industry and agriculture."

Questioned regarding the status of the new government, General Chang Ching-huei declared that no details regarding the post office, customs, etc., had been settled. They had been left to the future. No date was given as to when the new government would start to function.

Ten Years of Service at Harbin

BY EDWARD W. HUNTER

HARBIN, February 12.—Mr. George C. Hanson, genial American Consul-General in Harbin, who weighs probably 200 pounds, could have been seen just after midnight this morning being carried from his seat at the banqueting table of one of the leading residents of North Manchuria.

This spontaneous action was the climax of the tenth anniversary celebration of Mr. Hanson's service in this city, attended by almost the entire consular corps, as well as representative leaders of the foreign and Chinese communities. A tribute to the Russian and Chinese pioneers who opened up North Manchuria was paid by Mr. Hanson in a talk concluding the dinner party. Although arranged within 48 hours, without any committee or any other routine, about one hundred persons participated in the celebration, evidence of the esteem and popularity in which the democratic American consul-general is held in this city.

The Russian and other newspapers have given columns of space recalling Mr. Hanson's stay here, and a special illustrated American edition was published by a weekly Russian magazine here to mark the occasion.

Mr. Hanson, in his talk, said:

"I feel highly grateful for and at the same time embarrassed in regard to the honor which you have shown me in giving me this dinner this evening. I am grateful to you, for it is rare that such a function is thus given after only ten years of service, and embarrassed because I feel that I have done little to deserve this honor.

"I might add that I was surprised to learn of your desire to so honor me because it is usually the lot of a consular officer to be jumped upon and adversely criticized for not more valiantly aiding his nationals, despite the fact that foreign offices move slowly, and at a distance of several thousand miles away, problems do not appear so acute and important as they do on the firing line and to the local community.

"Early in January, 1922, while I was at Foochow, a quiet sleepy place at the time, I received orders to proceed to Harbin. On the way I lingered in Shanghai a few days and spent fourteen lively nights in Pekin,g to get my fill of social gaiety before burying myself in, as I thought, the obscure small frontier town of Harbin.

"Many have been the special problems which are peculiar to Harbin, due to its unique situation as an original Russian and then international city set down in China and to its being, with only two exceptions in Siberia, the city populated by most Europeans in all of Asia. I have seen the Chinese Eastern Railway, the backbone of North Manchuria in every sense of the word, under a so-called 'White' administration, when the Russo-Asiatic Bank was predominent in its affairs due to an agreement made between the bank and the Chinese Ministry of Communications in 1920; under a joint Soviet-Chinese management due to the Soviet-Chinese agreement of 1924; under a Chinese management; and then again under a joint Soviet-Chinese management.

"I have known the leaders in all these administrations and have understood the difficulties they have had in attempting to administer the railway so that the country would be developed economically and culturally for the benefit of the inhabitants as a whole. Much has been said about the Japanese developing Manchuria, but insufficient credit is given to these Russian and Chinese Pioneers who using the Chinese Eastern Railway and its allied institutions and business enterprises as their instruments made a beautiful and prosperous country of North Manchuria and gave our neighbors in the south the suggestion and the example of how a frontier country could be developed successfully. If it had not been for these Russian and Chinese sturdy pioneers and their score years or more of hard work, we would not be sitting here this evening enjoying wonderful Russian food.

"Many municipalities have come and gone during my ten years stay at Harbin. When I arrived, the local municipal government as well as others along the railway line was purely Russian and we had a Russian mayor. A Russian-Chinese municipal government followed only to be succeeded by a practically purely Chinese administration.

"American and other non-Russian firms and nationals were few when I first came to Harbin ten years ago. The city was finishing its days of war boon prosperity and settling down to business based on the resources of North Manchuria. Foreign firms and foreign business, which benefited the local inhabitants, increased and the future of Harbin looked very bright. Then came the disastrous misunderstanding between Soviet Russia and China in regard to the railway and the resulting paralysis of trade operations in the fall of 1929 and then the world-wide depression that delivered another heavy blow to the city and surrounding country.

"Ten years in one post is a long time to remain. I left my home town, Bridgeport, Connecticut, at the age of nineteen when I went to Ithaca, New York, to attend Cornell University for four years and only returned to my home town on occasional visits. I then came to China where I have been, except for leaves of absence and a year's detail at the State Department in Washington, ever since. I have been stationed in ten different posts in China, but in places other than Harbin I have only remained for a period, ranging from a few months to about three years.

"Just before I left Washington to return to Harbin, when I said goodby to Secretary of State Stimson, he told me that he was glad I was returning as he expected that shortly there would develop important political events in North Manchuria and recent developments have shown that his surmise was correct.

"I could tell you about interesting people I have met during my stay in Harbin, about chiefs of police who come and go with lightning rapidity, about Mongol fairs and Mongol Princes, about Kings of Hailar and Manchuli, about Y.M.C.A. secretaries and missionaries who sometimes appear to be what they are not, about managers of railways who sit in jail one month and then are given contracts to build railways the next, about bankers and their peculiar habits, about generals good and bad, about 90 *poods* of gold, about cabarets large and small, and strange Americans who frequent them, about tramways and electric plants, about mixed courts and courts more mixed!

"I have long held the interests of Harbin and of its inhabitants without distinction of nationality, race or creed, close to my heart, and this banquet is an indication to me that my friends have reciprocated this feeling."

Prominent Britishers Urge Prompt Action Against Japan

A *Reuter* telegram from London end of last week stated that amid divided counsels there is at last emerging at least a big nucleus of agreement that events in Shanghai will not much longer be allowed to drift.

Sir John Simon, the secretary of state for foreign affairs, whose hand is detected by many in the League's note, earns widespread approval for action which is described as "opportune," "sensible" and "cool" and as the product of an incisive legal mind, narrowing the latitude for evasion prior to the formulation of concrete remedies.

Some trepidation was naturally betrayed lest the summoning of the Assembly may have the effect of enthroning powers, by virtue of their numbers merely, who are without specialized knowledge of interests in the Far East, and producing rhetorical fireworks among which realities may be obscured.

The chorus of demands for a "strong hand" is clearly growing in volume and there is an indication of veering sympathies among some of the previous friends of Japan, particularly since the using of the Interrational Settlement as a base of operations.

The case for immediate action was pithily put in a letter to the *Times*, signed by Lord Cecil, Sir Arther Salter, Sir Charles Addis, Arthur Haworth, A. D. Lindsay and Gilbert Murray contending that submission to "militaty dictatorship" by Japan in the Far East would have disastrous repercussions in India and elsewhere in the Empire. The letter urged that Great Britain should secure American cooperation and that the League should exert diplomatic and economic pressure to compel Japan to respect the collective system of sanctity of treaties. The Geneva correspondent of the *Daily Herald* says the impression is growing that Japan plans to do some kind of deal over Shanghai if thereby she can get away with it in Manchuria.

The *Daily Telegraph* emphasizes that apparently America is not associating herself directly with the League's note but is carefully confining her representations to the protection of the interests of her own nationals.

Serious Situation Develops at Chinkiang

The Sino-Japanese situation at Chinkiang, provincial Capital of Kiangsu, is assuming an increasingly grave aspect, as the Japanese Naval Commander there has threatened hostile action, if the Kiangsu Provincial Government should fail to comply with his demands for the settlement of the incident of a Japanese marine being assaulted by a Chinese crowd. According to a dispatch from Nanking, on Feb. 17 a party of Japanese marines landed at Chinkiang on the 15th and made a demonstration, because of some misunderstanding, against a Chinese crowd. A marine had been attacked and slightly injured. Shortly after the incident occurred, it is reported that the Japanese Naval Commander at Chinkiang tendered an ultimatum to Gen. Ku Chu-tung, Chairman of Kiangsu Provincial Government, demanding that Gen. Ku should personally call at the Japanese warship and apologize for the occurrence and that he should also bear all the medical expenses incurred for the treatment of the injured marine. Unless these demands are fully met with the ultimatum threatens that Japanese warships will take appropriate action in dealing with the incident. A time limit is reported to have been attached to the note.

In order to avoid complications, the Ministry of Foreign Affairs at Nanking has taken up negotiations with the Japanese Consul-General at Nanking for a pacific settlement of the case. It is understood that a definite understanding has been reached with the Japanese Consul-General who has promised not to dispatch more warships to Chinkiang and at the same time wire to the Japanese Naval Commander there to refrain from taking any hostile acts to aggravate the situation pending conclusion of the negotiations.

In order to strengthen the air defense of Kwangtung, Gen. Chang Hui-chang, Commander of the Canton Air Force, has dispatched two representatives abroad for the purchase of fifty military planes at an aggregate cost of $2,000,000. Gen. Chang is now busily engaged in the organization of the Third Canton Squadron.

Replying to Sun Fo's telegraphical appeal for his personal presence at Shanghai to direct aerial operations against the Japanese, Gen. Chang announces that he will fly to Shanghai as soon as arrangements for the dispatch of the Second Air Squadron here are completed.

An Undeclared War with Unspeakable Barbarities

Neither China nor Japan has declared war. China has not declared war, for one reason because to do so would give the Japanese a chance to intercept whatever war supplies are shipped from abroad. The Japanese have not declared war because to do so would still further complicate its relations with the League of Nations. In the meantime there is no question about it but that the operations are being carried on with a ferocity that is marvellous. Not being a declared war, both sides are apparently not bound by any rules of war, and barbarities of an almost unbelievable character are being committed on both sides. It is probably an exaggeration to state that no prisoners (*vide* Shanghai *Evening Post*, Feb. 22) are being taken, but the number of them is exceptionally small on both sides. With little prospect of securing mercy in case they surrender both sides are fighting to the death. The Chinese undoubtedly have been guilty of much plain clothes sniping and in retaliation the Japanese have been killing civilians wholesale on mere suspicion. Dead bodies of civilian Chinese found on the Kiangwan race course indicate, according to the *Evening Post*, that the Japanese have been shooting whole families indiscriminately out of revenge. The one thing that stands out clearly is that casualties on both sides are exceedingly heavy. The Japanese admitted more than 300 casualties as the result of one day's operations—February 22. On the same day more than 300 wounded Chinese soldiers were brought into hospitals in the Settlement alone and hundreds of others were left lying on the field owing to lack of facilities. Corpses of Chinese and Japanese are lying in various neighborhoods in the Shanghai area, and in the meantime when a Chinese machine gunner is isolated instead of surrendering he pours out his remaining stock of bullets whenever he sees the possibility of dealing out death to the enemy before the inevitable moment comes when he himself will receive the thrust of grace which will put an end to his earthly glory. During all the campaigns in Manchuria where allegedly thousands of bandit engagements took place the Japanese never had taken a single prisoner or brought in a single wounded Chinese.

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A Humanitarian War in China

BY JONAS A. LEE

WARS and rumors of wars in China which cover whole pages of the daily newspapers are giving the whole civilized world a rude jolt, And no wonder, considering that the startling events which created such a tense atmosphere in the Far East happen at a time when enlightened public opinion of both the Orient and Occident is clamoring for permanent world peace and denouncing brute force as the sole means of settling international disputes. Far from alarming pacifists, it will be interesting to mention that in addition to the clash of arms between the militarists of two neighboring yellow nations in Shanghai and Manchuria, there is another "war" which, though vigorously pursued along humanitarian and progressive lines and opposedly different in essence to the "back to barbarism" type, is not receiving the due notice it deserves. We refer to the war on leprosy.

As a malady, leprosy, without going minutely into the detailed horrors associated with its victims, is well-known as the most terrible scourge which has menaced, with the exception of a few primitive peoples such as the Red Indians and the Ainus, all races of mankind from time immemorial. It was not till recent years that leprosy no longer remained a puzzle to medical scientists. Since 1874, when Hansen discovered the leprosy bacillus, the first real step in the progress of leprosy treatment has been made, culminating in the epoch-making discovery of the method of injecting the various preparations of Chaulmoogra Oil—a method the employment of which has given hope and physical relief to thousands of victims of the repulsive disease, a fact which amply demonstrates that leprosy is no longer one of the diseases which lies beyond the skill of medical men of today.

As a scourge, leprosy was, it is significant to note, prevalent in European countries in the twelth century, as those acquainted with the story of St. Francis scarcely need reminding, but with better modes of living and improved methods of sanitation, the disease has been practically wiped out. In a number of countries where leprosy is endemic, particularly India and the Philippines, encouraging and magnificent strides have been attained in their efforts to control and eradicate the menace. In China, where the leper population computed at one million which, according to figures supplied by authorities, represents the appalling 50% of the world's entire number of lepers, owing to years of ceaseless internal unsettlement, the lack of adequate settlements and special hospitals for the segregation and treatment of lepers, the lukewarmness of officials to tackle the problem and the complete ignorance of the public as to the real cause and prevention of the malady, leprosy is gaining a strong foothold. Aside from the horrible sufferings and mental miseries inflicted on vast numbers of unfortunate victims of leprosy which might be left to the imagination, the existence of such a deplorable situation in China is certainly a rebuke to the state which, as a result of its shortcoming, has to pay the penalty, for disease in whatever form is uneconomic and contributes to emasculate the national strength.

Chinese Mission to Lepers

To cope with such an appalling state of affairs, it is worthy of mention that the Chinese Mission to Lepers, an indigenous Chinese organisation, in co-operation with the American Mission to Lepers, (New York) the Mission to Lepers, (London) and other organisations, has now for for several years done laudable service in waging a ceaseless war against leprosy with encouraging results. The Mission in 1930 launched a Five-Year Programme which, briefly stated, comprises the following:

(1) To make a national survey of leprosy
(2) To call a National Leprosy Conference
(3) To organise a Central Leprosy Council
(4) Educational Propaganda
(5) The enactment of leprosy laws
(6) To promote leprosaria in all affected provinces and leper clinics in cities and rural districts
(7) To take proper care of the children of lepers
(8) Rehabilitation of ex-lepers.

Definite arrangements have also been made to call a National Conference by the Mission and, according to circular letters and invitations just issued, it is fixed to be held in Shanghai at the Assembly Hall of the C. Y. M. C. A., Thibet Road, on the 14th and 15th of April this year. It is reliably understood that the calling of such a conference, the first of its kind in the history of China, is not a mere publicity stunt, but an earnest endeavor, by trying to gain the co-operation of those of the medical profession and others interested in leper relief enterprise, to speed up the successful realisation of its declared aim of "Ridding China of Leprosy." It also marked an advanced attack on the fortified strongholds of leprosy and strives, to eliminate once and for all, one of the greatest enemies of Progressive China. Needless to say, to bring this campaign to a victorious and speedy conclusion requires constant reinforcements and it is earnestly hoped that patriotic Chinese both at home and abroad will quickly respond to the urgent call by enlisting their wholehearted support in this humanitarian war. Let us call to mind the fact that the indignities and humiliations which China suffered and is, at this very moment, suffering, is the result of her protracted physical weakness—a weakness which emboldened the lawless and barbaric activities of her voracious enemies and it is assuredly the bounden duty of each warm-blooded Chinese to devote their full efforts towards removing all deleterious causes that have so impaired the national health and vigor.

Pakhoi, Feb. 9, 1932.

T. V. Soong Repudiates Japanese Statements

When shown the communication issued by the Japanese delegation at Geneva, which states "that a majority of foreigners and many Chinese in Shanghai regard as desirable the removal of the Chinese 19th Route Army, whose attitude is highly dangerous for the International Settlement," that "this army contains many communist elements," and that "the Chinese Government has proposed to disband it, and has now placed troops around it, isolating it and watching its movements," T. V. Soong, Vice-President of the Executive Yuan, said:

"For resourceful invention, the far-famed diplomats of Japan certainly hold the palm. The precise English language, after it is mouthed by them, becomes of a vintage unrecognizable. Thus to them in Manchuria, on the other hand any Chinese soldiers fighting against them inside the Great Wall are 'communists,' while the almost continent-wide Japanese aggressions in Manchuria, Tientsin, Nanking, Shanghai, Tsingtao, Swatow and Hankow, are only 'local' incidents which the military are competent to settle without involving diplomacy.

But certainly this latest epistle of the Japanese delegation is of such a Gargantuan nature that Japanese diplomacy may well preen itself on its achievement. In the first place, it is an insult to the foreigners in Shanghai to state that they prefer the woman-and-baby-bayoneting Japanese soldiers to the 19th Route Army, and that they regard the presence of the Japanese who are bombing and shelling the residential quarters of Chapei as nice protectors.

"As far as the Chinese populace are concerned, millions and millions of dollars are being raised by them to support the 19th Routh Army, sending them food, clothing and other supplies, and many even personally went to the front to carry munitions and supplies for the soldiers. Foreigners have established food canteens for the 19th Route Army, and the British and American troops at the outposts openly fraternize with Chinese soldiers.

Far from being communists, the 19th Route Army is the one army in China that has an outstanding record of successful campaigns against the communists: in Canton in 1928, and in Kiangsi only last winter they subdued the flower of the communist armies.

"If the Japanese get any satisfaction in calling reinforcements that are going to the support of the 19th Route Army as troops placed around the 19th Route Army to isolate it and to watch its movements, they are welcome to draw whatever comfort they may get out of it."

China Pays French Railway Loan in Full

As from March 1, the railway connecting Chengtingfu and Taiyuanfu in Shansi will become solely Chinese property as China has completed paying the instalments of the loan contracted in 1902 for the building of this line. The construction of this line was started in 1904, the source of funds being a French loan of 40,000,000 francs and Government capital of over $6,000,000. It is 151 miles long, the guage being one metre. It runs through mountainous country and has 21 tunnels, the longest being 640 metres.

Soviet Views on the Japanese Incursion

The Soviet viewpoint on the events in Manchuria was explained recently in the form of a series of questions and answers in the newspaper *Moscow Worker*. Since all published matter in Russia passes a careful official censorship, the explanation may be accepted as representing the official attitude on the Far Eastern situation.

The most significant point emphasized by *Moscow Worker* is that the Soviet Union does not claim any "sphere of influence," or special privileges in northern Manchuria. While the extension of Japanese influence to the frontiers of the Soviet nation is tremendously important, the newspaper indicates, specific Soviet interests are not violated.

No Loss of "Face"

Such a formulation of the problem obviously enables the Soviet government to accept Japanese encroachments in northern Manchuria without loss of "face." Only actual interference with the Chinese Eastern Railway would upset that formulation.

"The activities of Japan thus far do not directly interfere with the interest of the country of Soviets," the newspaper says, "because we have not and cannot have those claims upon and plans for northern Manchuria which are attributed to us by slanderous imperialists.

"Japanese activities affect the interests of the Soviet Union not in this, but in the fact that they are really a preparation for an attack against the world revolutionary movement; preparation for adventures and intervention against the Soviet Union; the beginning of a new imperialist advance against the Chinese revolution and for the partition of China.

The questions to which *Moscow Worker* responds were presumably asked by workers in various factories. The clarification of Soviet interest in the situation is offered in answers to a question submitted by the factory "Electrosvet."

The answer further declares:

"The Japanese invasion of Manchuria and its consequences have great significance for the Soviet Union; in fact, they are to a very great extent directed against the Soviet Union. By invading Tsitsihar and by spreading the power of its so-called 'Chinese' governments to northern Manchuria, Japan occupied a region which borders directly on our country and which is traversed by the Chinese-Eastern Railway. The imperialist powers, which are conducting a policy of spheres of influence' and invasions in respect to China, were hoping to involve us in an armed conflict with Japan over Manchuria."

To a question from the Kautchuk factory about the Soviet reaction to the Far Eastern events, *Moscow Worker* responds:

"The Soviet Union has deciphered the plots of the war incendiaries and revealed their provocatory nature. It was shown, for example, that the munitioning of Chinese generals, of which we were accused by Japan, was actually carried out by Japanese bands with the participation and knowledge of Japanese officials."

Military Moves Denied by Soviet—Press Is Silent

It was denied authoritatively in Moscow Feb. 16 that Soviet Russian military forces are preparing to enter Manchuria.

Information concerning reports of frontier reinforcements are not available. Soviet officials generally refuse to discuss Sino-Japanese relations, thereby conforming with the press throughout the country, which continues to be eloquently silent.

Well informed quarters close to the Japanese emphatically deny that there is any danger of a conflict between Soviet Russia and Japan. They declare that if Soviet Russia is reinforcing Soviet troops at Vladivostok and vicinity, as it is reported, it is due to fears of a possible White Russian Guardists adventure and not to fears of a Japanese attack.

The same sources express belief that emigre Russians who may be counting upon Japanese support for an adventure against Soviet Russia will be disappointed.

"The Seaboard Route to the North"

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Peping-Liaoning Line

Starting at Peping, the ex-capital of China, called the most interesting city in Asia, with its intricate systems of walls, its Imperial palaces and its beautiful temples and tombs the Peping-Liaoning Line goes down to Tientsin, the great port of Chihli, and from there swings in a wide circle on its pathway to the north. From Lanchow to Chinchow the railway follows the line of the Gulf of Chihli, passing through Shanhaikwan, where the Great Wall ends at the sea, and thence on to Mukden, the ancestral home of the Manchus, a city which vies with Peping in its splendor of palaces and temples and ancient shrines.

Through tickets are issued and passenger's baggage registered through between the important stations on the Peping-Liaoning Railway and the South Manchuria, Chosen (Korean) and Imperial Japanese Government Railways. At Peping connections can be made with the Peping-Hankow Railway and with the Peping-Suiyuan Railway and at Tientsin connections can be made with the Tientsin-Pukow Railway, for Tsinanfu, Nanking and Shanghai.

For information as to rates, schedules, accommodations, etc. apply to any Tourist Bureau, or communicate directly with the Superintendent of Transportation.

Peping-Liaoning Railway

Head Office

TIENTSIN

An Advertisement of the Chinese Government Railways

No. 2

Chih Tze University Burned--Projects for Reconstruction

(Written by Members of Its Faculty)

Chih Tze University was founded by the Ho Brothers. The premises of its middle school or department of college preparatory was located in the vicinity of Recreation Road and that of its college proper near Sue Tien Road. The latter contained new buildings with a spacious auditorium, dining halls, recitation rooms, a library and dormitory for the accommodation of one thousand students. In the stacks of the library were placed many volumes of Chinese and Foreign books of great value and a collection of rare relics from Chinese literature and philosophy. Ever since the fighting in Shanghai, the Japanese soldiers have delibrately bent their energy and mind upon annihilating the centers of civilization of the Chinese citizenry. Unfortunately, therefore, Chih Tze University had become one of their victims, and its losses in connection with the deeds of wanton destruction on the part of the Japanese soldiers.

In the afternoon of February 3rd, 1932, the Japanese soldiers rushed into the premises of its middle school through the Hongkew Park, attacking it with machine guns. Later on, they bound the hands of the gate-keeper and man and maid servants behind their backs, intending to shoot them; but their commanding officer ordered them to force their captives to walk into the fire specially kindled for the burning of the school by the soldiers, instead of shooting them. Whereupon the gate-keeper and a man servant started to run away for their lives, being followed by the rest of their fellow-servants. The Japanese soldiers opened fire upon them, discharging more than thirty bullets and killing one man servant and another maid servant. The gate-keeper and the man servant had, however succeeded in narrowly escaping from instantaneous death.

In the afternoon of February 9th, 1932, at five o'clock, the Japanese soldiers made a rush into the premises of its college proper by way of Chu Chia Chiao bridge, attacking it with machine guns. Later on, they tried to search the servants, whom they thought would be found hiding in and around there. Fortunately, the gate-keeper and other servants had gone into the homes of neighboring peasants, so that the Japanese soldiers could do nothing and were obliged to return to their headquarters quite reluctantly.

In the afternoon of February 10th, 1932, at five o'clock, they came again with the intention of burning all the buildings in and around the campus; but since they were built under the structure of reinforced concrete, it was not so easy to burn them down, they had, therefore, to go back to their headquarters again without doing anything successfully.

Early in the morning of February 11th, 1932, at five o'clock, once more they came to start the burning of the buildings, and in the afternoon four aeroplanes came on the spot, dropping about forty or fifty bombs, thereby helping the soldiers to complete their deeds of destruction with the result that all of the new buildings of the campus were reduced to ashes in a few hours.

Chih Tze University has already weathered the storms of eight solid years, since its inception, and its record has been very excellent both administratively and scholastically. Many of its graduates have gone to America, England and France and completed their studies for the Masters' and Doctors' degrees with high credits and have come back to serve their nation in various professions for which they have received good training in the way of preparation. There is no question that there are practically very few universities in China of a private nature,—private in the sense that they are run independently by their founders, so far as the question of finance is concerned.

Coming on a par with Amoy University which was founded by Mr. Chen Chia Ken, there is Chih Tze University of which the foundation was rendered possible by the cooperative efforts of the Ho brothers. Dr. S. C. Ho is the President, Dr. S. M. Ho the Dean, and Mr. F. T. Ho the General Manager of the University. Both the president and the dean are holders of doctorates from Michigan University. The former had held the important position of the President of the Shanghai Provisional Court and is now the Vice Minister of the Ministry of Justice.

Having spent eight years of their dilligent energy and labor coupled with a million dollars in maintaining the honor and prestige of this great seat of learning, they cannot help experiencing a sense of bitter exasperation over the disastrous catastrophe which has hitherto befallen it, and their stern disapproval of the deeds of wanton destruction and vandalism upon the centers of civilization and learning in and around Shanghai certainly knows no bound. Despite this heavy blow upon their educative enterprises, however, they will not allow themselves to be carried away by the unfortunate sighs of the times.

On the contrary, they have determined to continue their services of education with more earnest and undaunted zeal than ever before. As soon as the fighting have ceased in Shanghai, they will build more new dormitories and recitation halls, so as to enable the University to carry on with its functions for the welfare of the students. They have, likewise, decided to rent houses for classrooms with a view to reopening the various classes for the continuation of studies, as a first step towards reconstruction.

Inasmuch as the occurence of this great misfortune has greatly handicapped the University financially on the one hand, and the financial resources of its founders are quite limited whereas the demands are urgent on the other, all the kind friends and well-wishers of Chih Tze, irrespective of nationalities, are earnestly requested to give their sympathetic response, either financially or otherwise, thereby helping them to have the new dormitories and recitation halls erected at the earliest date.

Aside from mustering up their courage and spirit towards the works of reconstruction, the authorities of the University have deemed it expedient to lodge a strong protest against Japan which has been despatched to the Japanese Consul-General through the kind offices of the Mayor of Greater Shanghai, and simultaneously, the members of the Alumni Association of Chih Tze University have sent a telegram to Dr. W. W. Yen, requesting him to report this case to the League of Nation and lodge a similar protest in reference thereto.

Such has been the present situation of Chih Tze, one of the leading institutions of higher learning in China. It is sincerely hoped that with the termination of warfare in Shanghai, efforts and helps will be freely and generously given on every hand towards facilitating the reconstruction of this worthy institution of learning for the welfare of China's young, who constitute the vital elements of international good-will and universal brotherhood and upon whose shoulders rest the duties and responsibilities of making the world safe for Wilsonian democracy. May we all look forward to the day when our expectations and hopes will be fully realized for the consolation of leaders of world-peace!

Shanghai, February 18, 1932.

America Not to Recognize Independence of Manchuria

Well-informed circles in Washington D. C., are quoted as saying that the United States government will not recognise the new "Independent Republic of Manchuria and Mongolia," which was declared in a manifesto issued by seven Manchurian governors and Mongol princes in Mukden Feb. 17. The American attitude, it is semi-officially stated, was made clear in the note sent to Japan a few weeks ago in which it was stated the United States government "cannot admit the legality" of any situation resulting from treaties which were signed under duress. State Department officials, however, declined to make any comment on the reports of the creation of the new Republic.

A message from Mukden declares that Tsang Shi-yi, the Governnor of Liaoning (Fengtien), has informally accepted the post of premier in the new State.

A Mukden telegram says it is understood that the new Government has decided as a fundamental policy to adopt the silver standard as a transitory method to the gold standard later and, with this end in view, will prepare a reserve of 10,000,000 Mexican silver dollars.

The note issue accordingly will be monopolized by the proposed Central Bank, which will re-purchase the old Mukden paper notes at market price.

According to a press message from Mukden, the executive committee of the new State in Manchuria has unanimously elected the former Emperor Hsuan Tung, now known as Mr. Pu Yi, as the Chief Executive.

THE SUFFERINGS OF THE JAPANESE PEOPLE

(*Continued from page 403*)

state through the loss of China trade. China, unless her wrongs are righted, will continue to resist and boycott Japanese goods. The atrocities committed by the Japanese forces have left such a deep impression in the minds of Chinese people that they can not easily get over their anti-Japanese sentiment. China may bow her head to the supremacy of Japanese military strength, but the Chinese people can not be forced to buy Japanese goods at the point of bayonets. The glory which the Japanese militarists have promised to bring back to their country can not comfort their fellow countrymen who are now under the staggering burden of taxes and deprived of the means of subsistence. With this in view, I am sure that the Chinese people, who have been taught by their sage not to hate, but to forgive and to love their enemy, can not help sympathizing with the sufferings of the Japanese people who are made the victims of their militarists.

Shanghai, Feb. 22, 1932.

Chinese Resistance Over Period of Years Contemplated

At a conference at Pukow leaders of the National Government, including General Chiang Kai-shek, decided to start preparations throughout the country for resisting possible Japanese attacks over a long period of years, if necessary.

Wang Ching-wei, President of the Executive Yuan, during the week issued a lengthy statement declaring that the National Government is taking the firmest stand in dealing with both Manchuria and Shanghai questions and will use all armed forces available to meet new onslaughts of the Japanese. He made a further appeal for a united front and an absolute resolve to deal with the present emergency and meet new situations as they arise.

Chu Chan, prominent Kuomintang leader and a close friend of Premier Inukai of Japan, declared that Japan is now committing the blunder Germany did in 1914.

The newspapers in Nanking which prior to the presentation of the demands by General Uyeda maintained a moderate attitude with regard to the Sino-Japanese conflict, are now favoring continued armed resistance.

The *Hsin Ching Erh Pao* terms the present Chinese armed resistance as a "glorious fight." The newspaper declared well-equipped military divisions, aerial bombers and tanks are not sufficient to subjugate the Chinese people. The present "war" may involve great sacrifices and result in enormous losses, but it is building a new foundation for China's national existence, the journal asserts.

Chinese newspapers in North China, notably the *Yi Shih Pao*, leading vernacular journal, are strongly urging that the National Government to order General Chang Hsueh-liang to dispatch his troops outside the Great Wall to recover territory in the Three Eastern Provinces lost to the Japanese through his policy of non-resistance. The vernacular press both in North and South China are advocating continued armed resistance.

The Nanking *Central Daily News*, official organ, declares that General Uyeda's action in sending an ultimatum to the 19th Routh Army has "lighted a spark which is rapidly developing into a second world war."

A Pamphlet on the Disarmament Conference

The Information Section of the League of Nations Secretariat has issued a pamphlet describing the preparations which were made for the First General Conference for the Limitation and Reduction of Armaments which is being at Geneva. This pamphlet contains a summary of the obligations and assurances of the States of the world regarding armaments, a survey of the way in which the problem has been approached, an analysis of the Draft Convention presented to the Governments by the Preparatory Commission, the action of the Council and the Assembly of the League in 1931, including the adoption of an Armaments Truce, and Annexes, including the text of the Draft Convention, a summary of the Washington and London Naval Treaties, etc.

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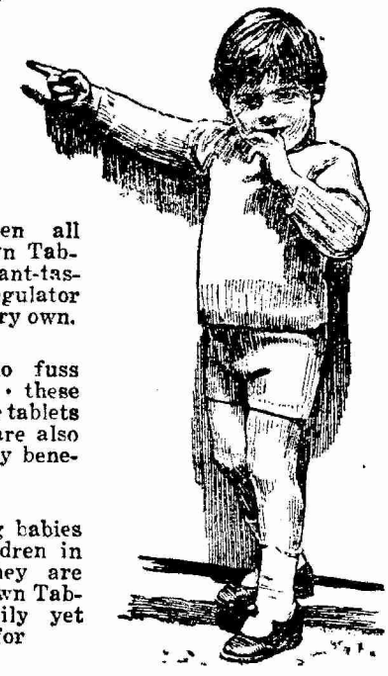

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59-549

Gen. Tsai Ting-kai Undaunted by Japanese Ultimatum

BY HOH CHIH-HSIANG

The night of Feb. 18, 1932 will be recorded by historians as one of momentous moments in the history of world peace. The event of that eventful night was one of the series of occurrences in the Far East which have marked a distinct revival of militarism and complete wreckage of all the world peace efforts which have been vainly striven for during the last twenty years. Murky, somewhat gloomy with dark clouds overshadowing a moon-lit horizon, portentous as if of a Mid-Summer thunder storm, that fateful evening was the chosen time when the Japanese militarists here determined to embark upon their armed adventure on a major scale by delivering their ultimatum to the Chinese defence forces in Shanghai.

Serene and composed, Gen. Tsai Ting-kai, Commander of the Chinese 19th Route Army and heroic defender of Shanghai, who was interviewed by a group of foreign press correspondents that very night laughingly listened to the summary contents of the Japanese written threat which were communicated to him over the phone by Mayor Wu Teh-chen of Greater Shanghai Municipality. A wave of indignation and resentment passed over his face and brightened his fiery eyes, when he was officially informed that the Japanese with supreme insolence actually dared to demand the withdrawal of his troops from the Shanghai area. In a volley of words in clear Cantonese dialect, as if directed against the Japanese invaders Gen. Tsai curtly replied that no threat of whatever gravity could coerce him in the least and he was fully prepared to meet the Japanese in the open field.

In an emphatic voice, Gen. Tsai declared: "Ultimatum has the least meaning for me, however high-sounding the word may be. Japanese demands are absolutely intolerable. I will simply ignore them and will never order retirement of my forces from Shanghai, which is a Chinese territory and which it is my duty to defend. It is the height of insult and absurdity that Chinese defence forces should be asked by a foreign country to evacuate their own soil. In dealing with this Japanese threat, we have no other recourse but to fight. We will simply answer gunfire with gunfire."

Queried about the possibility of a peaceful settlement of the situation at that eleventh hour, Gen. Tsai said: "There can be no peace with Japan, so long as the Japanese armed forces remain on our soil. Peace will be automatic, when the Japanese evacuate from Chinese territory. Peace conferences at present are futile and useless. Japan has proved herself a nation barbarous by her acts, perfidious by her conduct and hypocritical by her words. She has become so insidious that we can no longer deal with her as a decent nation or trust her words. Her stark violation of faith after Chinese acceptance of her original demands in the night of Jan. 28 constitutes an indelible and lasting disgrace on her National character. Japan is embarking upon a most hazadous adventure; her medieval conception of modern affairs has deluded her in her present imbroglio. Apparently, she attempts to play the role of a 20th Century Napoleon in the world. At Shanghai, she dreams to imitate the Manchurian exploits, but she has failed disastrously."

Gen. Tsai made no secret of the fact that Japanese forces possesses a decided superiority over the Chinese in military equipment and that the much-heralded vigorous offensive which had been in preparation since the arrival of Japanese army reinforcements was impending. He said that he was fully prepared to accept the Japanese challenge and would not in the least be daunted. The situation here has long passed the stage of verbal or written threats, Gen. Tsai declared. Chinese forces will demonstrate their strength not in words but in deeds.

"In combating against the Japanese aggression," Gen. Tsai continued, "we are fighting for a most noble cause in the world. We are fighting for the principle of peace and upholding the international solemn peace pacts which have been wrecked by the Japanese militarists. Victory or defeat, inevitable vicissitudes in a warfare, matters little to us, as long as we have the satisfaction of knowing we are warring for a good cause. We will never under any circumstances waver in our determination or depart from our cause, which aims at the destruction of Japanese militarism and re-affirmation of world peace. We believe that China will emerge victorious, even though we give allowance that she may suffer temporary setbacks."

In these determined and cautious words, Gen. Tsai puts to shame and disgrace the Japanese widely broadcasted shameless boast that she could complete the occupation of Shanghai in just a brief space of six hours, when her naval forces opened hostilities in the fateful night of Jan. 28.

Asked whether the National Government would order the withdrawal of his troops from Shanghai in order to avoid spread of the war, Gen. Tsai declared that he had always been acting under direct orders from Nanking and the Government would not issue such an order under any circumstances. The whole nation, Gen. Tsai continued, is behind him in his defence of Shanghai and his stand is not only approved by the Central Government, but also endorsed by the entire country. The Government has fully realized the futility of the non-resistance policy and is determined to moblize its national resources for a determined and prolonged armed resistence against the Japanese aggression. Both in military supplies and reinforcements, Gen. Tsai further declared, the Government has been giving him full support and he branded the rumor of the existence of disagreement among the ranks of Chinese forces as a damnable and crude piece of Japanese propaganda.

Anxious for the safety of foreign residents in Shanghai, Gen. Tsai expressed the wish that neutral foreigners would better remove to some safety zones in order to avoid danger. With the delivery of the Japanese ultimatum, Gen. Tsai said, military operations on a gigantic scale might take place at any moment and any accidents may happen, no body can tell. "But for the fact that the Japanese have been using the Settlement as their base of military operations against us", Gen. Tsai pointed out "our troops would not have fired into the Hongkew district. We have been subjected to heavy bombardment from the Japanese base; we have no choice but return our fire in the direction where the Japanese bullets issue forth." Gen. Tsai assured that Chinese troops would not advance south of the Soochow Creek, but he emphasized that if the Japanese should seize any part in the Central District, Chinese forces would not hesitate to direct their fire toward that part and dislodge the Japanese from their privileged positions.

False Foreign Friends of China

A Chinsee correspondent in London calls attention to the remarks of a prominent British member of the Shanghai Rotary Club who in a recent speech at Ilford, England, although he referred to himself as distinctly pro-Chinese, said, among other things:

"Referring to the present situation between China and Japan in respect of Manchuria, he said that Manchuria was definitely Japanese. China had no claim upon it whatsoever, and whereas the Japanese would develop the country, it would take China 50 years to put it to any useful purpose.

"The Japanese must have Manchuria, he added, 'her population is increasing by leaps and bounds, and, like us, she cannot produce enough food for them.

"If there is no war over Manchuria today, there will be one tomorrow. There must be a war—there is no other conceivable way out unless the Japanese buy it, and then the Chinese would not descend to accepting their money."

This correspondent comments that there are many professed foreign friends of China who would betray China abroad in the most unreasonable and dogmatic way.

Japan's War Party Wins at Elections

The elections in Japan, Saturday, January 20 resulted in the returning of the party in power, the Seiyukai, with greatly increased majorities. The final results show the following figures: Seiyukai, 301, Minseito, 149, Proletarian, 5; and "others" 11. Whichever party would have won, the general policy in Manchuria and China would have continued as before, but the Seiyukai is more firmly wedded to the "positive" policy than the Minseito.

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Japanese Burning Their Bridges

(Editorial in Manila Bulletin Feb. 5, 1932.)

The attitude of Japan toward the foreign powers' peace proposals is most significant on two points. It is perfectly clear that Japan does not intend to accept any neutral participation in negotiations looking to a Manchurian settlement. It is equally clear that Japan intends to deny being the aggressor, that the official Tokyo contention is that Japan is fighting only when forced to do so defensively.

In regard to Manchuria the present Japanese stand is at least consistent. It is in full harmony with the frequent official Japanese statements that the Manchurian campaign only was a bit of local police duty, bandit chasing, intended to protect Japanese life and property. The world has not been able to swallow that line of argument, but due to conditions of law and order, or rather conditions of disorder, Japan was able to get by and carry on in the face of a varied assortment of protests.

However, the Shanghai zone has been so handled that the Japanese efforts at claiming to be on the defensive become so unreasonable and absurd that it is almost inconceivable that they should be made by a nation of dignity. Denials of dropping bombs on the Shanghai native city and the International Settlement, allegations that the shelling of the forts of Woosung was forced as a defensive move and the explanation of Yangtze river activities, such as the firing at Nanking, as self defense, are too weak to be accepted.

When the matter is considered from the Japanese internal point of view, when the statements are viewed as being designed entirely for home consumption, there may possibly be arguments in favor of that course of action, but the effect on the world at large is openly unfavorable.

It is beginning to look as if China acted wisely in the delay of a formal declaration of war. It is an apparent fact that the declaration would not have thrown any more Chinese military machinery into gear, that it would not have brought the organization of a real government or a formidable army. At the same time it would have strengthened Japanese aggressiveness. It might have tended to give China a new national dignity and respect in the eyes of the world, but that would not have counted for much in stopping air bombs and gun fire from ship and shore. A declaration of war would not give the Chinese a real military standing, but it would help the Japanese "defensive" stand.

Also it would render more difficult the neutral powers' peace efforts, and Japan is making peace efforts hard enough already.

It is difficult to see a way out of the crisis because the Japanese are so far in now that they have left themselves no facesaving exit. Their attitude toward the powers' peace proposals is destructive to hope for settlement of the basic issues, especially their insistence that the Manchurian campaign and the Shanghai drive are unrelated matters, not to be discussed together. Negotiations hemmed in by a lot of untouchable features are defeated before they start.

It's time the peace-proposing powers did a little dictating—if they mean business and hope for success.

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SHANGHAI TELEPHONE COMPANY

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No. 68

SOCONY
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GASOLINE

Men and Events

H. B. Longfellow, passenger agent in Shanghai for the Dollar Steamship Lines, returned here February 23 from a holiday in the United States.

Miles G. Vaughn, Far Eastern manager of the *United Press*, has arrived in Shanghai from Japan to assist in covering the Shanghai war situation.

The annual meeting of the Shanghai American Chamber of Commerce was announced to be held Friday, February 26, at 5.30 p.m. at the American Club.

Robert L. Ripley, creator of the American newspaper feature, "Believe It or Not" is on his way out to the Far East and is scheduled to arrive in Shanghai in the near future.

Steps are being taken by the Chinese Ratepayers Association to urge the Shanghai Settlement authorities to exempt the business houses in the Hongkew district from paying municipal taxes.

The Washington's Birthday Ball, which has been the principal social event of the American community in Shanghai for many years, was not held this year owing to the incidence of the present war situation.

Among the humors of the war in the Shanghai area is that at the Kaingwan race track, which has been the scene of bitter conflict between the Chinese and Japanese forces there still is displayed the old sign, "No Shooting Allowed!"

Mrs. Louis V. Crane, the author of "Sign and Symbol in China", who has been staying at the Cathay Hotel for some time past, departed from Shanghai during the week by the Dollar liner *President Cleveland* for the United States.

The Missing Persons Section of the Shanghai Municipal Police has reported to the International Investigation Committee that up to 9 a.m. February 23 the total number of persons reported missing was 619 and of these 55 had been traced, leaving 564 still unaccounted for. Many of the missing persons were last seen in Japanese custody.

R. T. Bryan, jr. the Police Advocate for the Shanghai Municipal Council, was the speaker at a special service at the Community Church Sunday afternoon, Feb. 21 on the occasion of the 200th anniversary of the birth of George Washington, the first President of the American Republic.

A wierd story published recently in London newspapers to the effect that an English woman was fighting in the Chinese trenches in the Shanghai area, when tracked down was found to be based on the fact that an American newspaper woman who had gone to the war front had lost her way. Imagination did the rest.

The death of George B. Lockwood of Washington, D. C. and Muncie, Indiana, occurred February 14 at the age of sixty. Mr. Lockwood has two brothers who have long been residents in China, W. W. Lockwood of the National Committee of Y. M. C. A. and E. H. Lockwood who is on the staff of the Canton Y. M. C. A.

Pamphlets dropped by Japanese airplanes in the Chapei area and surrounding country (and also in the American sector in the International settlement) in the Chinese language camouflaged as issued by Chinese associations stated that it "was foolish" for the Chinese to fight the Japanese. Other pamphlets spoke of the Japanese coming to Shanghai to protect the Chinese populace from the ravages of Chinese soldiers.

Although the supply of beef in Shanghai, partly due to the extra demand from troops of various nations, has been running low and as a consequences prices have doubled in recent weeks, there is a plentiful supply of various food products in the Shanghai markets. In the Hongkew market, which is ordinarily the best patronized market in the city, much more food is being offered daily than there are customers for.

Colonel Theodore Roosevelt, Governor-General of the Philippine Islands in succession to Dwight F. Davis, together with Mrs. Roosevelt, Miss Grace Roosevelt and staff, passed through Shanghai during the week by the steamer *President Taft* from Seattle en route to Manila to take up his new appointment. Governor Roosevelt was welcomed here by Nelson Johnson (United States Minister to China), Edwin S. Cunningham (United States Consul-General, Shanghai), and representatives of the American naval and military forces.

Who's Who in China

Siuchoh Leung, social worker and Christian leader, at present associate general secretary of the National Committee of the Y. M. C. A. of China; born at Fatshan, Kwangtung, May 7, 1889; studied twice in America with Master degrees from the Vanderbilt University and the Y. M. C. A. Graduate School, member of the Omericon Delta Gamma (American Economic Fraternity); connected with the Canton Y. M. C. A. since 1908, and has been its chief executive officer for 12 years; took leading part in numerous movements against licensed gambling, opium smoking, mid-slavery, concubinage and prostitution in Canton; was one time chairman of the Canton City-wide Evangelistic Campaign in 1920; president of the Canton Christian Federation of the Kwangtung Synod of the Church of Christ in China; attended the meetings of the International Missionary Council in Ratvik, Sweden in 1926 and in Williamstown, Mass., U. S. A., in 1929; studied social and economic conditions in Soviet Russia, was delegate to the World's Student Christian Federation at Nyborg, Denmark in 1926 and at Lake Mohank, N. Y., in 1927; attended the World's conferences of the Y. M. C. A. held in Toronto and Cleveland 1931; author of the Constitution of the Kwangtung Synod of the Church of Christ in China; at present member in Shanghai on the executive committee of the General Assembly of the Church of Christ and on the executive committee of the National Christian Council of China; address: National Committee of the Y. M. C. A., 20 Museum Road, Shanghai.

Siuchoh Leung (Liang Shiu-cho)

梁長樹字少初

梁長樹，字少初，廣東佛山人，年四十三歲，曾兩次留學美國，畢業于滬得倍大學授碩士位，一九零八年回國任職于廣州青年會，歷任該會總幹事，嘗任廣州市拒毒會員清潔運動全市佈道大會等主席幹事等要職，一九二六年赴瑞典參加萬國宣教事業會議，同年赴丹麥及翌年赴美洲世界學生基督徒大會，復遊蘇俄研究社會經濟狀況，一九三一年赴加拿大及美洲世界青年會大會，現任中國基督教協進會執行部委員及青年協會副總幹事，通訊處上海博物院路二十號

Gen. Tsai Ting-tai in Complete Control of Shanghai Army

General Tsai Ting-tai, Commander of the 19th Route Army, has been placed in command of all the Chinese army forces in the Shanghai area.

Cantonese Commanders, including General Chen Chi-tang, General Pai Chung-hsi, Admiral Chan Chak, General Chang Fah-kwei, General Chang Huei-chang of the Air Force and a number of others have issued a circular telegram announcing their determination to resist Japanese aggression.

General Ho Ying-ching, the Minister for War, who left for Pucheng Feb. 22 returned to Nanking from Pucheng in company with General Chu Pei-teh, General Li Chai-sum and Marshal Feng Yu-hsiang. These leaders are in conference with General Chiang Kai-shek and Wang Ching-wei.

An Important Publication on German Political Development

The leader of the "National movement for freedom of Germany" (which is a strong movement not represented in parliament and working independently of all political parties, Reinhold Wulle, formerly chief editor of the *Deutsche Zeitung* in Berlin and Member of the Reichstag and Prussian Parliament, published at the end of 1931 a book dealing with the development of German politics, with the title: "Die Sendung des Nordens.—Der Sinn des deutschen Freiheitskampfes" (i.e. The message of the North.—The meaning of German struggle for freedom.) The publishers are Verlag K. F. Koehler-Leipzig. Stiff cover, Marks 2.85: linen, Marks 5.

The book has caused a considerable sensation throughout Germany and over her borders. The politician, Reinhold Wulle, appears in this book as a historian of notable size. It may be pointed out that when Mussolini in an interview was asked to express an opinon on Herr. Wulle, he said: "He is the only upright politician of present-day Germany, —but it's bad he has such a stiff, rigid head."

The book deals, in two great historical sketches, with the Roman Catholic Question and the dominion of the Pope in Rome, and, secondly with the marching-up of "Liberalism" and the relations of both to Germany, from ancient times till to our present day, where Fascism seems to dominate in Germany. The author devotes the third part of his work to the rebuilding of a new German Reich.

In any case all those who are interested in a study of present-day Germany will have to become acquainted with this last publication concerning German politics; they may reject the developed ideas or agree with them. Reinhold Wulle will very likely play an important role in future German politics.

EDMUND MINKNER.

Canton, February 18, 1932.

Silver Agitation as a "Racket"

Agitation in Congress in behalf of silver, which seems likely to be renewed in this session, is called a "Senate racket," worked chiefly for the benefit of producers of the metal, by Neil Carothers, professor of economics at Lehigh University. He reviews various aspects of the silver question and its history in the United States in the current issue of the *North American Review*.

Professor Carothers has little sympathy with the cause of the silverites and attacks their arguments for restoration of the price of silver, particularly the contention that it would restore the purchasing power of China in the world market.

"Government resuscitation of silver," he writes, "would possibly be of some benefit to Mexico. Here and there over the world it would give some comfort to insignificant countries, such as Uruguay, that have bungled their attempts to maintain the gold standard. But its one material result would be its aid to silver producers.

"Silver in the United States is overwhelmingly a by-product of the mining and smelting of copper, lead and zinc. Silver is chiefly a residue from the production of other metals and in this sense the bulk of its production employs no labor, calls for no capital investment and has no cost. There is no natural price for silver produced in the United States.

"The relentless political manoeuvering to better the price of silver is not prompted by a need to support an industry or promote prosperity. It is solely a drive to increase the monetary return from a fortuitous and adventitious product of another industry.

"The political constitution of our upper legislative house lends itself to the promotion of sectional interests of this type. The States that produce material amounts of silver are, in the main, thinly populated Western States, but they are strongly represented in the Senate.

"The five States that lead in silver production, Utah, Montana, Idaho, Arizona and Nevada, have a combined population less than that of Philadelphia, but their representation in the Senate is more than 10 per cent. of the strength of that body.

"Consider further that the silver interests, now as in the free-silver days, know no partisan lines. They are single-minded in their devotion to the cause in the Senate, in which a small bloc can control the balance of power in vital issues.

"Economic vicissitudes have always been turned to the advantage of the silver interests."

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Full Text of League Appeal to Japan on Shanghai Situation.

The League Council, other than the Chinese and Japanese representatives, end of last week addressed a note in the nature of an appeal to Japan in the following terms:

Text of Note

"As the President of the Council on behalf of his colleagues pointed out on January 29 in an appeal addressed to both parties, good relations between states can only be secured by co-operation and mutual respect, and no permanent solution can be achieved by force whether military or merely economic. The longer the present situation continues the wider the breach between the two peoples will become, and the more difficult a solution will be, with all the disasters that would mean, not only to the two nations directly involved but to the world in general.

"Twelve members of the Council, other than the Chinese and Japanese representatives, feel constrained to make a pressing appeal to the Government of Japan to recognize the very special responsibility for forbearance and restraint, which devolves upon it in the present conflict, in virtue of the position of Japan as a member of the League of Nations and a permanent member of its Council. The situation which has developed in the Far East during the past month will be fully studied by the Commission appointed with the consent of both parties.

Significant Events

"But since the Commission was set up there have occurred and still are occurring events in Shanghai which have intensified public anxiety throughout the world and which endanger lives and interests of the nationals of the numerous countries, and which add to the unexampled difficulties which the whole world is faced with in the present crisis and threaten to throw new and serious obstacles in the path of the Disarmament Conference.

"The twelve members of the Council are far from disregarding the grievances advanced by Japan, and throughout all these months have given her the full confidence which they owed to an associate of long standing, who has "ever been punctilious in the fulfilment of all her obligations and duties as a member of the community of nations. They cannot but regret, however, that she has not found it possible to make full use of the methods for a peaceful settlement provided in the Covenant and recall once again the solemn undertaking of the Pact of Paris that a solution of international disputes shall never be sought by other than peaceful means.

China and League

"They cannot but recognize that from the beginning of the conflict which is taking place on her territory, China has put her case in the hands of the League and agreed to accept its proposals for a peaceful settlement.

"The twelve members of the Council recall the terms of Article X of the Covenant, by which all members of the League have undertaken to respect and preserve the territorial integrity and existing political independence of all members of the League. It is their friendly right to direct attention to this provision, particularly as it appears to them to follow that no invasion of territorial integrity and no change in political independence of any member of the League brought about in disregard of this Article ought to be recognized as valid and effectual by members of the League.

Japan's Responsibility

"Japan has incalculable responsibility before the public opinion of the world to be just and restrained in her relations with China. She has already acknowledged this responsibility in most solemn terms by becoming one of the signatories of the Nine Power Treaty whereby the contracting parties expressly agreed to respect the sovereignty, independence, and territorial and administrative integrity of China.

"The twelve members of the Council appeal to Japan's high sense of honor to recognize the obligations of her special position and the confidence which the nations have placed in her as a partner in the organization and maintenance of peace."

List of Chinese War Refugee Camps in Shanghai and their Locations

Name of the Camp	Addresses	No. of Ref.
1. Moore's Memorial Hall	56 Tibet Road	200
2. Pao-Peng-Tang Temple	Changsha & Avenue Roads	170
3. Bubbling Well Temple	End, Bubbling Well Road	1,500
4. Peter's Church (Catholic)	Sinza & Tatung Roads	616
5. Kwang-Jen-Tang	Avenue & Chengtu Roads	210
6. Two Chinese temples	Chengtu & Sinza Roads	521
7. Hsu's Garden	Cannaught Road	480
8. Cotton Merchants' Guild	Route de Pere Froc	250
9. Hung-Cheng Construction Company	Rue de Sieyes & de la Tour	218
10. Tien An Tang	1 Shantung Road	225
11. Kuo-En-Shih Temple	French Concession	288
12. Ching-Liang-Shih Temple	Sinza Road	252
13. Cheng-Hai-Shih Temple	Rue Pere Robert & Chengtu Road	90
14. Hsiao-Ling-Shan	Rue Pere Robert & Chengtu Road	80
15. King Albert Hall	Rue Albert	328
16. Atheletic Associations Pioner Field	Rue Du Pere Froc	295
17. Shantung Guild	Rue Porte De l'Ouest	547
18. Shou-Sheng-An Temple	Peking & Kweichow Road	150
19. Changchow Guild	Chengtu Road	313
20. Continental Bank Emporium (Ground floor)	Kinkiang & Shantung Roads	682
21. Wei Tung School	Rue Montmorand	600
22. King Yung School	Rue County	40
23. Chinese Y.M.C.A.	Szechuen Road	1,233
24. Continental Bank Emporium (Upper floor)	Nanking Road	2,310
25. St. Peter's Church	301 Avenue Road	210
26. Mohammedan Church	Chekiang Road	31
27. Sainto Church	423 Rue Lafayette	85
28. Foreign Goods Guild	Rue Hue	305
29. Goddess of Mercy Temple	Changsha Road	87
30. Jen-An Terrace	Kuling Road	315
31. Tsung-Fa-Shih Temple	,, ,,	199
32. Ta-Wang-Miao Temple	N. Chengtu Road	245
33. Kwang-Ti-Miao Temple	Native City	183
34. Soul Study Society	23 Route de Roi Albert	125
35. Nanking Guild	Sinza Road	930
36. Coal Merchants Guild	283 Chekiang Road	170
37. Ming Chih School	125 Weihaiwei Road	70
38. Ting-Kwang-Shih Temple	Avenue & Tsingtao Roads	197
39. Chenju	Chenju	103
40. Western Shanghai Association	Robison Road	6,000 (all workers)
41. Ningpo Guild	Min Kuo Road	875
42. Chu's House	Sinza Road	560
43. Sheng's Family Shrine	2 Chengtu Road	242
44. Sheng's Library	,, ,,	1,056
45. Pao-Fong-Chwarg Store	Honan Road	365
46. Cantonese Guild	Ningpo Road	1,306
47. Jen-Teh Philantropic Association	500 Kiaochow Road	24
48. St. Paul's Hall	Shargtung Road	89
		25,370

Filipino Sentiment Against Japan

The Manila *Union*, a newspaper owned and edited by Filipinos, in an editorial February 8 stated that it was opposed to imperialism of any race and color, and while it sympathized with the Japanese people it could not but condemn the barbarous military caste which dreams of an Oriental and world conquest by means of bloody plunders in China. The *Union* adds: "The destruction of a new Republic by Japanese imperialism will send to the rocks the hopes in this part of the globe of small and young nations now suffering from slavery by money and plunder. As between Japan and China, long live China!"

Soviet Manifesto Calls For Utmost Military Preparation

Marking the occasion of the 14th anniversary of the organization of the Red Army on Feb. 23, M. Clementi Voroshilov, the Commissar of War, has issued a manifesto calling for the utmost preparedness on the part of the armed forces of the Soviet Union.

The manifesto was made public by the Commissariat of War, and is signed by Commissar Voroshilov. It calls upon the Soviet armed forces for the utmost preparedness to defend the inviolability of Soviet territory.

Describing bloodshed in China as the result of the Sino-Japanese crisis while bourgeois orators make speeches at Geneva in behalf of peace, M. Voroshilov says:

"In the east and in the west they are laying plans for intervention, preparing public opinion and organizing bands of Russian White Guardists for an attack against the Soviets.

"The White Guards, with the support of certain groups of Imperialists are openly planning to seize the Soviets from the Far East."

Recent editions of the *Red Star*, the organ of the Commissariat of War, warn the enemies of Soviet Russia that in any attack on the Soviets they will "meet with iron resistance from the Red Army as well as the entire population."

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Latest New York Stock Exchange Quotations

Market Easy — Business Done 1,300,000 Shares — February 24, 1932

1931-1932 High	1931-1932 Low	Div.$ perSh.	STOCKS	Sat. Feb. 20	Tues. Feb. 23
23½	3⅛	—	Adams Express	5¼	5
182¾	62¼	*6.00	Allied Chemical & Dye	78	74½
42¾	10⅛	1.00	Allis Chalmers	10⅞	10⅞
129¾	54⅛	*1.00	American Can	68¾	65⅛
51¾	6⅛	—	American &ForeignPower	7½	7¼
31½	3¼	—	American& For. Power W.	Mutl.	4⅛
58½	12¾	.50	American Smelting	15½	15⅛
201¾	107¾	9.00	American Tel. & Tel.	128⅝	125
132¾	64	*5.00	American Tobacco "B"	79½	77½
80¾	23⅛	3.00	American Waterworks	30¼	29
43¼	8⅞	—	Anaconda Copper	10⅛	9½
295½	84½	4.00	Auburn Automobiles	108¼	95¾
87⅞	12¾	—	Baltimore & Ohio	17¼	16¼
70⅝	16¼	—	Bethlehem Steel	22	20¾
76¼	34¾	*3.00	Borden Company	38⅞	38½
30¾	9	1.00	Borg Warner	10¾	10½
45¾	10⅜	1.25	Canadian Pacific Railway	15⅞	15⅝
131½	26⅝	—	Case J. I.	37¼	35
54⅛	13½	3.00	Chesapeake Corp	17¼	16⅜
25¾	10⅝	1.00	Chrysler	12⅜	12
20¾	5	.30	Cities Service, Co.	6⅝	6¼
45⅞	11⅝	150	Columbia Gas & Electric	13¾	13⅜
12	3	.30	Commonwealth &Southern	4¼	4
2¾	⅜	—	" " warr.	9/16	9/16
109⅝	54¼	4.00	Consolidated Gas. of N. Y.	62¼	60
12	5⅝	—	Continental Oil	6	6
86⅝	86¼	*3.00	Corn Products	44¼	43¼
5⅞	1	—	Curtiss Wright Co.	2	1⅞
78¾	42¾	4.00	Drug Incorporated	53	51¼
107	46¾	4.00	Du Pont de Nemours	57	54
185¾	73	5.00	Eastman Kodak	79	75¾
61	8¾	6% S	Electric Bond & Share	10⅛	9¾
38⅜	2½	—	Fox Film "A"	3⅝	3¾
54¾	17⅞	1.60	General Electric	22	20
56	28¼	3.00	General Foods	35¼	35
48	19½	3.00	General Motors	22⅝	20¾
84⅛	20⅛	5.00	General Railway Signal	24	24
38¾	9¼	—	Gillette	18⅜	17⅞
42⅛	14½	2.50	Gold Dust	17¾	17¼
20⅞	3⅜	—	Goodrich Rubber	Mutl.	4⅜
52¾	12⅞	1.00	Goodyear Tire&Rubber	16	15⅛
22⅝	5¼	.50	Granby	6½	Mutl.
62½	14¾	3.00	International Cement	Mutl.	17⅞
4	½	—	International Combu. Eng.	1½	1⅝
60½	22	2.50	International Harvester	24	23¾
20⅛	7	.20	International Nickel	8	7⅞
38¾	7	.60	International Tel.& Tel.	11	10¼
80¾	15⅝	1.00	Johns Manville	23¼	21⅝
31⅛	9⅝	.50	Kennecott	9⅝	9¼
27¾	4¼	1.61	Kreuger & Toll	8⅛	7⅝
91¾	40	4.00	Liggett & Myers, "B"	56½	55
63½	23¼	3.00	Loew's: Inc	30½	Mutl.
21⅞	10	1.20	Lorillard P. Co. (com.)	14½	14
19	1½	—	Ludlum Steel	Mutl.	4¼
29¼	6⅝	—	Montgomery Ward	9¼	8⅞
40⅞	15	2.00	Nash Motors	17½	17
108½	34½	4.00	National City Bk. bid price	52	51¼
14⅜	4¾	.40	Nevada Consolidated Co.	4⅝	4⅝
132¼	24⅞	—	New York Central	30⅞	28⅞
11	2⅝	—	North American Aviation	3⅜	3¼
54⅞	29⅝	2.00	Pacific Gas & Electric	35⅞	35¼
11⅞	3½	.40	Packard Motors	4	4
50¼	5½	10%S	Paramount—Publix Corp	9⅜	9
64	16¼	2.00	Pennsylvania Railroad	20	19⅜
8½	1¾	.40	Pennroad Corporation	3⅛	3⅛
16⅝	3⅞	—	Phillips Petroleum	4¾	4⅝
96	44⅝	3.40	Public Service of N.Jersey	56⅜	55
27½	5⅛	—	Radio Corporation	9¾	9⅛
24½	2¾	—	Radio-Keith Orpheum	5⅝	5½
54½	32⅜	3.00	Reynolds Tobacco "B"	37⅞	37
63¼	28	2.50	Sears Roebuck	33½	32⅝
10¼	2½	—	Shell Union	3⅝	3½
23⅜	6⅞	—	Simmons Company	8½	8¼
26½	8⅜	1.00	Socony-Vacuum Corp.	9⅞	9¾
54½	28⅜	2.00	SouthernCaliforniaEdison	31¾	31½
88¾	25⅛	3.50	Standard Gas & Electric	30⅜	28
53½	25¾	*1.00	Standard Oil of N. Jersey	28½	28½
26¼	9⅞	2.00	Texas Corporation	12	11¾
55¾	19½	3.00	Texas Gulf Sulphur	24	23¼
18	2	—	Trans America	5½	5½
72	27⅛	2.60	Union Carbide & Carbon	32	30
205⅛	65	10.00	Union Pacific Railway	86⅜	80
38⅞	9¾	—	United Aircraft&Transp't	15¼	14⅝
31¼	7½	.75	United Corporation	9⅞	8⅝
37½	15⅜	1.20	United Gas Improvement	19¾	19⅝
20⅜	3½	—	U.S. Rubber	4⅛	4¼
152⅜	35½	2.00	U.S. Steel	48½	45¾
76¾	11	—	Vanadium	16¾	15½
20⅜	2⅛	—	Warner Bros. Pictures	3¼	3
107¾	19⅞	2.50	Westinghouse E. & M.	32⅜	29⅝
72⅝	35	2.40	Woolworth	43	42
*plus extras			Call Money	2½ %	2½ %

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The National City Bank of New York	Stock	51	—
Argentine Government	6 % May 1, 1960	54½	11.40
U. S. of Brazil	6½% Oct. 15, 1957	18⅝	—
Canadian National Railway Co.	5 % Oct. 1, 1969	83½	6.12
Chile Government	6 % Sep. 1, 1961	12⅞	—
Republic of Finland	6½% Sep. 1, 1956	59	—
Finnish Gtd. Municipalities "A"	6½% Oct. 1, 1954	42¼	—
German Central Bank for Agriculture	6 % Apr. 15, 1938	38½	—
German Central Bank for Agriculture	6 % Oct. 15, 1960	37	—
German General Electric (A.E.G.)	6 % May 1, 1948	40½	—
Ilseder Steel Corp.	6 % Aug. 1, 1948	25¾	—
Kingdom of Italy	7 % Dec. 1, 1951	88	8.23
Lautaro Nitrate Co., Ltd.	6 % July 1, 1954	12	—
City of Milan	6½% Apr. 1, 1952	65½	10.71
State of Minas Geraes Series "A"	6½% Sep. 1, 1959	13	—
Republic of Peru	6 % Oct. 1, 1961	6	—
Rhine Westphalia Electric Power Corp.	6 % Apr. 1, 1955	37¼	—
State of Sao Paulo (Brazil)	7 % Oct. 1, 1940	59½	—
Saxon Public Works	6½% May 1, 1951	20¼	—
American I.G. Chemical Corporation	5½% May 1, 1949	77	8.06
Chicago, Milwaukee, St. Paul & Pacific	5 % Jan. 1, 2000	10⅞	—
Chile Copper Co.	5 % Jan. 1, 1947	54¾	—
Goodyear Tire & Rubber	5 % May 1, 1957	75	7.16
International Match Corporation.	5 % Jan. 15, 1941	64¼	—
The Mead Corp. w.w.	6 % May 1, 1945	49	—
National Steel Corp.	5 % Apr. 1, 1956	74½	7.26
Japanese Government	6½% Feb. 1, 1954	76	9.03
Japanese Government	5½% May 1, 1965	65½	8.68

QUOTATIONS RECEIVED FROM LONDON OFFICE

Republic of China Gold Loan	5 %	1925	56	—
Chinese Govt. Re-org. (£) Loan Stamped	5 %	1913/60	56½	—
Chinese Govt. Re-org. (£) Loan Unstamped	5 %	1913/60	54½	—
Chinese Government (Crisp Loan)	5 %	1912	35½	—
Shanghai-NankingRailway	5 %	1904/08	36	—
Shanghai - Hangchow-Ningpo Railway	5 %	1908/38	64	—
Hukuang Railway	5 %	1911/1951	16	—
Tientsin-PukowRailway	5 %	1908/09	10	—

NOTE: The above quotations are received by cable and whilst believed to be correct are not guaranteed.

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Exchange Circular for the week ending Wednesday, 17th February, 1932.

Another week has passed without amelioration of the conditions described in our last two issues: Business is naturably at a standstsill, and the following is merely a record to preserve continuity Large and powerful military, reinforcements are arriving from Japan but the week has been a comparatively quiet one, with no marked change of position on either side.

Silver:—On the 11th inst. was quoted at 19 5/16d. for spot and 19 7/8d. forward and U S. $ 0.29¾, and closes today at 19⅝d, and 19⅞d, U.S $ 0.30¼.

The continent has been a consistent buyer; market generally steady, but featureless.

Exchange:—The official T/T rate on London on the 11th inst. was 2/10⅜d: raised on the 16th inst. to 1/10⅞d, today unchanged.

The market opened on the 11th inst. with sellers for cash at 1/10¾d, U.S. $ 32½ and Yen 110, but for forward delivery 1/10⅝d, U.S. $ 32⅝ and Yen 109½. The little that was passing was fixed at above rates, The Gold Bar Exchange opened for about an hour in the morning at 677, closing at 676.70.

On the 12th inst. rates were as above, but steady to firm, and at the close for cash 1/10⅞d, U.S. $ 32 1/16 and Yen 110½ were available. Gold Bars after a short session 670.50/673.30.

On the 13th inst. much the same prevailed, until for cash 1/10 13/16d, U.S. $ 33 and Yen 109 were obtainable, Gold Bars opened and closed at 668.

Our Stocks of Silver are reported as follows:—

Sycee and Bar Silver ... ... Tls, 62,697,000 same as last week
Chinese and Mexican Dollars $ 192,540,000 a decrease of $ 550,000
Estimated value Tls. 201,325,000 as against Tls. 209,500,000 held at this time last year

†	Average rates for Jan.	Thursday Feb. 11	Friday Feb. 12	Saturday Feb. 13	Monday Feb. 15	Tuesday Feb. 16	Wed Feb. 17
Bank's selling rates		*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*
T/T on London	1/10.652	1/10½	1/10½	1/.0½	1/10⅝	1/10¾	1/10¾
D/Dfts ,,	—	1/10½	1/10½	1/10½	1/10¾	1/10¾	1/10¾
4 m/s ,,	—	1/10 9/16	1/10 9/16	1/10 9/16	1/10 11/16	1/10 11/16	1/10 11/16
T/T on India	124,771	123¾	123¾	123¾	124¼	125	125
T/T on France	874,652	815	817	819	823½	830	828
T/T on N.Y.	32,272	32	32	32⅛	32¼	32⅜	32 5/8
T/T on Demand		32	32	32⅛	32¼	32⅜	32⅝
T/T on Hamburg R. M.		135	135½	135½	136½	138¼	134
T/T on H'kong	76.049	76⅜	76⅜	76⅜	77	77⅜	77
T/T on Japan	112.576	111 nom.	111 nom.	111 nom.	109 nom.	108 nom	108nom.
T/T on Batavia	80.348	79½	79½	80	80	81	80½
T/T on Straits	123 761	124	124	124	123½	123	123
Bk's buying rates 4 m/s B/L. Cred. & D/A	1/11 805						
4m/s B/L D/P	868 522						
6m/s ,, B/L Cred&D/A	—						
4 m/s B/L Cred D/A or D/P							
4m/s N.Y. Lc	33 946						
4m/s ,, Docs	—						

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling,	Feb. 11	Feb 12	Feb. 13	Feb 15	Feb 16	Feb. 17
Bullion,						
*London Price of Bar Silver per oz. (English Standard 925 touch) Pence	19 1/16	19 1/8	19½	19½	19⅝	19⅝
**New York Price of Bar Silver per oz, (Pure)	G.$ 29½	G.$.29⅝	—	G.$.30⅛	G.$.38⅜	G.$.38¼
Shanghai Price of Gold Bars (weight Tls. 10 (Chauping) 978 touch)	Tls. 676 70	Tls. 673 80	Tls 668.	Tls 661.	Tls. 656.	Tls. 651. 70
Shanghai Silver Bars (weight Tls. 100 (Canton) 999 touch) ....Nominal	Tls. 112 60	Tls 112 80	Tls. 112 80	Tls. 112 60	Tls. 115 60	Tls. 115 60
ShanghaiMexicanDollars per $100	Tls. 73.3½	Tls. 73.1	Tls. 73.2⅜	Tls. 73.4625	Tls. 73.4	Tls. 73.4
Native Bank Rate of Interest (Call money)	6%	4%	4%	4%	4%	4%
*Closing Price in London for Previous day						
**Closing Price in New York for Previous day						

Bank of England rate of discount	6%	London on Paris	T/T 87.42
Bank of France rate of discount	2½%	New York on London	T/T 345
London open Market rate of Dis, 3m/s	5%	Bombay on London	T/T 1/6⅛
,, ,, 4 ,,	5%	Hongkong on London	T/T 1/5 13/16
,, ,, 6 ,,	5%	Kobe on London	T/T 2/0¼

FEARON, MAITLAND and SHAW